

**UPPER PITTSBORO TOWNSHIP
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Upper Pittsboro Township Board of Education

Salem, New Jersey

For the Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Upper Pittsgrove Township Board of Education

Monroeville, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Upper Pittsgrove Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

Upper Pittsgrove School District

235 Pine Tavern Road · Monroeville · New Jersey · 08343

Phone: (856) 358-8116 · Fax: (856) 358-1024

February 2, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Upper Pittsgrove 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 Grants, 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:

Upper Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The Upper Pittsgrove Township Board of Education and its one school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through Grade 8. These include regular, as well as special education for handicapped students. The District completed the 2020-2021 fiscal year with an enrollment of 455 including 128 high school students, which is one (1) less student than the previous year's enrollment and includes 327 Pre-K through Grade 8 students. The following charts the enrollment of the district over the last ten years:

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment *</u>	<u>Percent Change</u>
2020-21	455	2.20%
2019-20	445	(0.22%)
2018-19	446	(1.54%)
2017-18	453	(2.58%)
2016-17	465	(5.87%)
2015-16	494	(3.33%)
2014-15	511	(4.66%)
2013-14	536	(3.77%)
2012-13	557	(2.45%)
2011-12	605	5.22%

* Includes High School Students

2. ECONOMIC CONDITION AND OUTLOOK:

Business remains minimal in Upper Pittsgrove Township. It is unlikely that an influx of industry will occur in this predominantly rural agriculture community.

3. MAJOR INITIATIVES:

The Upper Pittsgrove School District continues to build an environment of achievement and success by maintaining and enriching the programmatic services of a comprehensive middle and elementary school for our students. While celebrating our rich history and farming heritage, we continue to seek new opportunities to reach our 21st century learners through a variety of wide-ranging professional development programs and a variety of learning opportunities for students throughout all ability ranges. The following is a sample of current district initiatives;

- Completed a One to One Chromebook initiative
- Provided hotspots for virtual learning to students without internet access
- Increased the number of mental health services provided to students
- Implemented new social studies curricular materials
- Provided both in-person and full virtual classes for all students
- Continued to provide a safe and healthy environment for all staff and students
- Continue use of i-Ready in both LAL and Math
- Investigate shared service opportunities for business services
- Pass a bond referendum to replace the roof
- Audit the district policy manual with the board policy committee
- Implemented a new science curriculum
- Replaced all windows in the building

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

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

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 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

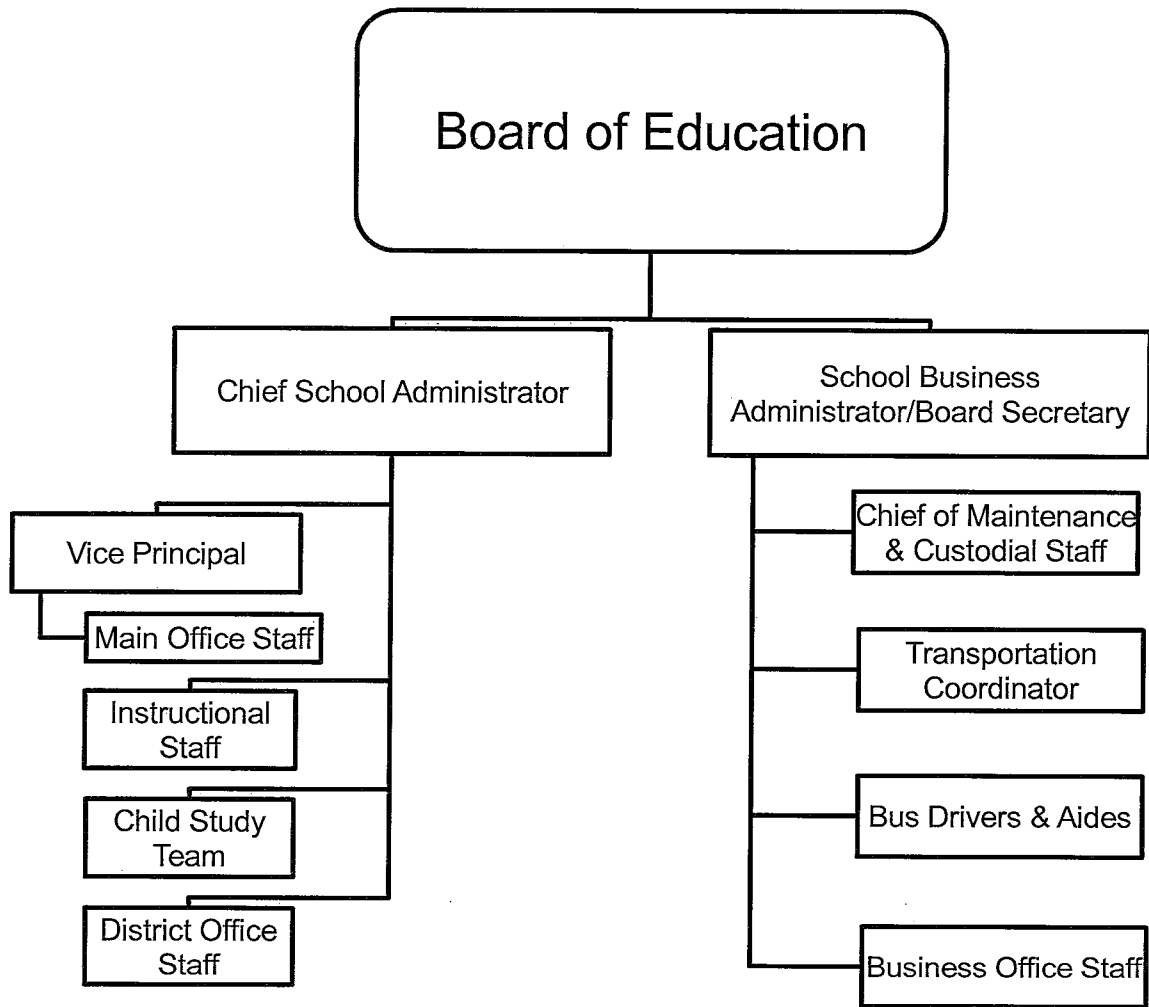
Scott Eckstein

Scott Eckstein
Superintendent

Katherine Van Tassel

Katherine Van Tassel
Business Administrator/Board Secretary

Upper Pittsgrove Board of Education Organizational Chart 2019-2020



UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
COUNTY OF SALEM
MONROEVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Polly B. Deal, President	2021
Jessica Bishop, Vice President	2022
Dan Bellisario (To January 2021)	
Brian Wasilewski (From January 2021)	2023
John Gallagher	2022
Ryan Caltabiano	2021
Michael Kinney	2023
James Parks	2023
Laura DiSilvestro	2021
John Basile	2022
<u>OTHER OFFICIALS</u>	
Scott Eckstein, Superintendent	
Lisa M. DiNovi, Business Administrator / Board Secretary (To: December 23, 2020)	\$ 35,000
Katherine Van Tassel, Business Administrator/ Board Secretary (From: February 8, 2021)	\$ 35,000
Georgiana Scharnagl, Treasurer of School Monies	\$ 172,000

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
COUNTY OF SALEM
MONROEVILLE, NJ

CONSULTANTS AND ADVISORS

ATTORNEY

Mr. Paul Kalac, Esquire
Weiner Law Group, LLP,
331 Newman Springs Rd. Bldg. 1
Suite 136
Red Bank, New Jersey 07054

AUDIT FIRM

Raymond Colavita, CPA, PSA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

OFFICIAL DEPOSITORY

First National Bank of Elmer
10 South Main St
Elmer, New Jersey 08318

INSURANCE AGENCY

Conner Strong & Buckelew
40 Lake Center Executive Park
401 Route 73 North, Suite 300
PO Box 989
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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Upper Pittsgrove Township School District
County of Salem, New Jersey 08343

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 Upper Pittsgrove 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 Upper Pittsgrove Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Upper Pittsgrove 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 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

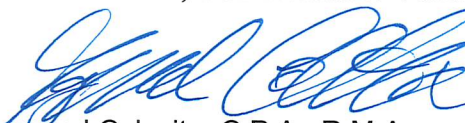
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 2, 2022 on our consideration of the Upper Pittsgrove Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upper Pittsgrove Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Upper Pittsgrove Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
February 2, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**Upper Pittsgrove Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(UNAUDITED)**

This section of the Upper Pittsgrove Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the 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 and performance.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the *district-wide statements*, with the focus on operations.
- The *governmental fund statements* tell how *basic* services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short- and long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

Key financial highlights for 2021 are as follows:

- Total Net Position decreased by \$153,686 attributable to various operating results and prior period adjustments.

- General revenues accounted for \$8,481,987 in revenue or 84% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,665,422 or 16% percent of the total revenues of \$10,147,409. This excludes fixed asset adjustments and the transfer to a Charter school.
- Net Position of governmental activities decreased by \$298,372, comprised of changes in various assets and liabilities and prior year adjustments. The net position of the Business-type Activities increased by \$51,510.
- The School District had \$9,674,156 in total expenses, of which \$1,665,422 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,481,987 were adequate to provide for these programs.
- The Governmental Funds had \$9,178,138 in revenues, \$9,257,612 in expenditures, and a transfer to a charter school of \$70,592. The General Fund's balance increased by \$152,242 over 2020, including a prior period adjustment relating to the recognition of GASB #84. This increase was anticipated by the Board of Education and \$233,016 in surplus was utilized to offset the 2020-2021 budget.

District-wide Financial Statements – Reporting the School District as a Whole

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 revenues 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 changes in that position. Net Position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

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

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types 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 fund statements provide a detailed short-term view that helps the reader 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, additional information at the bottom of the governmental fund statements explains 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. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. 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. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District's operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2021 and 2020.

Table 1
Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current and Other Assets	\$ 5,140,853	\$ 1,547,856
Capital Assets, Net	2,404,647	2,676,090
Total Assets	<u>7,545,500</u>	<u>4,223,946</u>
Deferred Outflows of Resources	<u>231,391</u>	<u>363,708</u>
Liabilities		
Long-term Liabilities	4,543,490	1,398,535
Other Liabilities	157,812	53,669
Total Liabilities	<u>4,701,302</u>	<u>1,452,204</u>
Deferred Inflow of Resources	<u>808,535</u>	<u>714,710</u>
Net Position		
Invested in Capital Assets, Net of Debt	(1,138,353)	2,676,090
Restricted	4,580,395	1,289,781
Unrestricted (Deficit)	(1,174,988)	(1,545,131)
Total Net Position	<u>\$ 2,267,054</u>	<u>\$ 2,420,740</u>

Table 2 shows the changes in net position from fiscal years 2021 and 2020.

Table 2
Changes in Net Position

	2021	2020
Revenues		
Programs Revenues		
Charges for Services	\$ 31,390	\$ 65,640
Operating Grants and Contributions	1,634,032	1,218,801
General Revenues		
Property Taxes	4,464,529	4,376,989
Federal and State Aid-Not Restricted	3,924,240	3,572,843
Other	93,218	167,754
Total Revenues	10,147,409	9,402,027
Program Expenses		
Instruction	2,574,111	2,477,904
Tuition	1,943,862	2,026,618
Administrative Services	467,381	416,011
Other Support Services	1,596,324	1,480,017
Health Benefits	2,696,747	2,114,100
Interest on Long-Term Debt	59,728	9,474
Other	208,711	230,092
Enterprise	127,292	130,245
Total Expenses	9,674,156	8,884,461
Excess of Revenues over Expenditures	473,253	517,566
Transfer to Charter Schools	(70,592)	(73,735)
Prior Period Adjustment	93,176	
Fixed Asset Adjustment	(649,523)	(108,019)
Increase in Net Position	\$ (153,686)	\$ 335,812

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 44.0% percent of these revenues for governmental activities. Unrestricted federal, state and local grants accounted for another 54.8% and miscellaneous revenues accounted for the remaining 1.2%. The total cost of services, as shown below, was \$9,674,156. The net cost of all governmental programs and services, which excludes charges for services, operating grants and the enterprise fund was \$8,060,223. Instruction comprises 36.9% of these District expenses.

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

Table 3

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 2,574,111	\$ 2,363,931	\$ 2,477,904	\$ 2,353,102
Tuition	1,943,862	1,943,862	2,026,618	2,026,618
Pupil and Instructional Staff	535,643	446,071	531,411	436,037
General Administration, School				
Administration, Business	467,381	467,381	416,011	416,011
Operation and Maintenance				
of Facilities	468,389	468,389	432,192	432,192
Pupil Transportation	592,292	592,292	516,414	516,414
Employee Benefits	2,696,747	1,509,858	2,114,100	1,167,224
Enterprise Fund	127,292		130,245	12,856
Interest	59,728	59,728	9,474	9,474
Other	208,711	208,711	230,092	230,092
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 9,674,156	\$ 8,060,223	\$ 8,884,461	\$ 7,600,020
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school and other activities, as provided by state law.

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

Business-Type Activities

Revenues for the District's business-type activities (Food Service Program and School Care Program) were comprised of charges for services and federal and state reimbursements.

- Food Service revenues exceeded expenses by \$43,010 and the School Care Program revenues exceeded the expenses by \$8,479.
- There were no charges for services during the year for food services due to the pandemic and school care charges of \$20,104. There was also \$21 in other non-operating revenue from interest income.
- Federal and State reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$158,677.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$9,178,138, expenditures of \$9,257,612. The net change in fund balance for the year was \$3,392,934, including Bond Proceeds of \$3,543,000 and a transfer of \$70,592 to charter schools. The District was able to meet current operating costs, through the use of surplus in the amount of \$233,016.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (including the capital projects fund) for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 4,572,998	49.83%	\$ 28,270	0.63%
State Sources	4,325,020	47.12%	43,320	0.98%
Federal Sources	280,120	3.05%	48,229	21.67%
Total	<u>\$ 9,178,138</u>	<u>100.00%</u>	<u>\$ 119,819</u>	<u>1.31%</u>

The increase in Local sources is attributed to an increase in the governmental fund local tax levy of \$87,540, tuition of \$133 offset by a decrease in other revenue of \$26,520 and in transportation fees of \$32,883.

The increase in State sources is attributed to various state aid allotments totaling \$43,320.

The increase in Federal sources of \$48,229 is due to various grants. In addition, the 2021 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of general fund, special revenue fund, Capital Project fund and debt service fund expenditures for the fiscal year ended June 30, 2021 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease from 2020</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,363,931	25.53%	\$ 10,829	0.43%
Tuition	1,943,862	21.00%	(82,756)	-3.36%
Support Services	4,038,792	43.63%	373,030	9.44%
Capital Outlay	597,753	6.46%	567,110	392.81%
Special Revenues	313,274	3.38%	64,883	27.14%
Total	\$ 9,257,612	100.00%	\$ 933,096	10.01%

The increase in instructional expenditures is attributed to net increases in various salaries and other instructional expenses for regular, special and other programs.

The increase of \$373,030 in undistributed support services was due to increases in employee benefits of \$188,233, administrative services of \$50,831, student related costs of \$21,891, transportation costs of \$75,878 and \$36,197 in plant operation and maintenance.

The decrease in capital outlay is attributed to the reduction in construction costs, along with other equipment expenditures, as compared to last year.

The decrease in special revenues is due to net decreases in awards from the federal government.

There were no debt service costs in fiscal years 2019-2020 or 2020-2021.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2021, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final general fund budget anticipated that revenues, including \$233,016 in surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$97,427.

- Actual revenues were \$83,749 more than expected due to the increased state aid of \$87,802, offset by less miscellaneous income of \$4,053, excluding on-behalf pension and social security reimbursements of \$1,162,049.
- Actual expenditures were \$803,899 less than expected. This also excludes state on-behalf pension and social security reimbursements of \$1,162,049.

Capital Assets

At the end of the fiscal year 2021, the Governmental Funds of the School District had \$2,395,085 and the Enterprise Fund had \$9,562 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021.

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

	<u>2021</u>
Land	\$ 781,429
Facility and Improvements	7,123,971
Transportation	728,163
Machinery and Equipment	716,247
Accumulated Depreciation	<u>(6,945,163)</u>
Totals	<u>\$ 2,404,647</u>

Overall capital assets decreased by \$271,443 from fiscal year 2020 to fiscal year 2021. There were acquisitions of \$588,279. This was offset by depreciation expense of \$210,199 and fixed asset adjustments of \$649,523 for the year.

Long-Term Debt

At June 30, 2021, the School District had \$4,543,490 in outstanding debt, representing \$3,543,000 in Serial Bonds, \$136,606 of compensated absences and \$863,884 of net pension liability.

At June 30, 2021, the School District's overall legal debt margin was \$9,542,531, of which \$5,999,531 was unvoted debt margin or 62.9% of the total amount permitted by statute. The detail of the open debt issues is shown in Note 10 and Note 13 to the financial statements. In November of 2020, the School Board and Voters approved a Bond Issue, in the amount of \$3,543,000, for the purpose of replacing a roof and related expenditures. The sale occurred in the 2020-21 school year.

For the Future

In conclusion, the Upper Pittsgrove Township School District has committed itself to fiscal responsibility. In addition, the School District's system for financial planning, budgeting, and internal financial controls are functioning. The School District plans to continue its sound fiscal management to meet the requirements of the future while admitting that the challenge continues in finding revenues to meet expense requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Katherine Van Tassel, Business Administrator, Upper Pittsgrove Township School District, 235 Pine Tavern Road, Monroeville, NJ 08343.

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.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,419,021	\$ 46,301	\$ 3,465,322
Accounts Receivable			
State and Federal	229,788	6,454	236,242
Other	1,898		1,898
Inventory		1,438	1,438
Restricted Assets			
Capital Reserve Cash	1,435,953		1,435,953
Capital Assets, Net (Note 7):	2,395,085	9,562	2,404,647
Total Assets	<u>7,481,745</u>	<u>63,755</u>	<u>7,545,500</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	<u>231,391</u>		<u>231,391</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	75,597		75,597
Accrued Interest	50,254		50,254
Payroll Deductions Payable	4,791		4,791
Flexible Spending Reserve	17,445		17,445
Unearned Revenue	6,100	3,625	9,725
Non-current Liabilities:			
Due within One Year			
Due beyond One Year	4,543,490		4,543,490
Total Liabilities	<u>4,697,677</u>	<u>3,625</u>	<u>4,701,302</u>
DEFERRED INFLOW OF RESOURCES:			
Deferred Pension Inflows	<u>808,535</u>		<u>808,535</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	(1,147,915)	9,562	(1,138,353)
Restricted			
Capital	3,903,398		3,903,398
Maintenance Reserve	394,429		394,429
Tuition Reserve	200,000		200,000
Unemployment Compensation	24,639		24,639
Scholarships	13,475		13,475
Student Activities	44,454		44,454
Unrestricted (Deficit)	(1,225,556)	50,568	(1,174,988)
Total Net Position	<u>\$ 2,206,924</u>	<u>\$ 60,130</u>	<u>\$ 2,267,054</u>

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

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 2,226,086		\$ 210,180	\$ (2,015,906)		\$ (2,015,906)
Special Education	249,633			(249,633)		(249,633)
Other Instruction	98,392			(98,392)		(98,392)
Support Services:						
Tuition	1,943,862			(1,943,862)		(1,943,862)
Student & Instruction Related Services	535,643	11,286	78,286	(446,071)		(446,071)
General Administrative Services	185,627			(185,627)		(185,627)
School Administrative Services	136,815			(136,815)		(136,815)
Central Services	129,939			(129,939)		(129,939)
Admin. Info. Technology	15,000			(15,000)		(15,000)
Plant Operations & Maintenance	468,389			(468,389)		(468,389)
Student Transportation	592,292			(592,292)		(592,292)
Unallocated Employee Benefits	2,696,747		1,186,889	(1,509,858)		(1,509,858)
Unallocated Depreciation Expense	208,711			(208,711)		(208,711)
Interest on Long Term Debt	59,728			(59,728)		(59,728)
Total Governmental Activities	9,546,864	11,286	1,475,355	(8,060,223)		(8,060,223)
Business-type Activities:						
Food Service	115,667	-	158,677		43,010	43,010
School Care	11,625	20,104			8,479	8,479
Total Business-type Activities	127,292	20,104	158,677		51,489	51,489
Total Primary Government	\$ 9,674,156	\$ 31,390	\$ 1,634,032	(8,060,223)	51,489	(8,008,734)
General Revenues:						
Local Tax Levy						
General Purpose				4,464,529		4,464,529
Unrestricted Aid Federal and State and Local				3,924,240		3,924,240
Interest				11,709		11,709
Tuition Revenue				12,283		12,283
Transfer to Charter School				(70,592)		(70,592)
Rental				55,854		55,854
Fixed Asset Adjustment				(649,523)		(649,523)
Miscellaneous				13,351	21	13,372
Total General Revenues and Transfers				7,761,851	21	7,761,872
Change in Net Position				(298,372)	51,510	(246,862)
Net Position—Beginning				2,412,120	8,620	2,420,740
Prior Period Adjustment				93,176		93,176
				2,505,296		2,513,916
Net Position—Ending				\$ 2,206,924	\$ 60,130	\$ 2,267,054

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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 486,673		\$ 3,283,899		\$ 3,770,572
Cash Capital Reserve	505,403				505,403
Cash Maintenance Reserve	394,429				394,429
Cash Tuition Reserve	200,000				200,000
Accounts Receivable:					
State	88,512				88,512
Federal		141,276			141,276
Interfund	75,394				75,394
Other	1,898				1,898
Total Assets	\$ 1,752,309	\$ 141,276	\$ 3,283,899	\$	\$ 5,177,484
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 63,548	\$ 4,089	\$ 7,960	\$	\$ 75,597
Payroll Deductions Payable	22,236				22,236
Unearned Revenue		6,100			6,100
Interfund Payable	16,016	74,808			90,824
Total Liabilities	101,800	84,997	7,960	\$	194,757
Fund Balance:					
Restricted for:					
Capital Reserve	505,403			\$	505,403
Maintenance Reserve	394,429				394,429
Tuition Reserve	100,000				100,000
Tuition Reserve Designated for Subsequent Year's Expenditures	100,000				100,000
Unemployment Compensation	24,639				24,639
Scholarships		13,475			13,475
Student Activities		44,454			44,454
Excess Surplus	140,427				140,427
Excess Surplus - Designated for Subsequent Year's Expenditures	113,126				113,126
Committed to:					
Year-End Encumbrances	122,056		2,474,882		2,596,938
Capital Projects Fund			801,057		801,057
Assigned:					
Designated for Subsequent Year's Expenditures	56,955				56,955
Unassigned, Reported In:					
General Fund - (Deficit)	93,474				93,474
Special Revenue Fund - (Deficit)		(1,650)			(1,650)
Total Fund Balance	1,650,509	56,279	3,275,939		4,982,727
Total Liabilities and Fund Balance	\$ 1,752,309	\$ 141,276	\$ 3,283,899	\$	

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 \$9,207,516 and the accumulated depreciation of \$6,812,431 (Note 7).	2,395,085
Deferred Outflow of Resources - Deferred Pension Contribution.	231,391
Deferred Inflows of Resources - Pension Actuarial Gains.	(808,535)
Deferred Inflows of Resources - Employer Pension period and therefore are not reported as liabilities in the funds.	
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(50,254)
Long-Term Net Pension Liability	(863,884)
Long-Term liabilities and accrued interest payable, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8).	(3,679,606)
Net Position of Governmental Activities	\$ 2,206,924

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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
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	TOTAL
REVENUES					
Local sources:					
Local Tax Levy	\$ 4,464,529				\$ 4,464,529
Tuition - Preschool	12,283				12,283
Interest on Investments	11,234				11,234
Interest on Investments - Capital Reserve	225				225
Interest on Investments - Maintenance Res	250				250
Rental	55,854				55,854
Local Sources		15,272			15,272
Miscellaneous	13,351				13,351
Total Local Sources	4,557,726	15,272			4,572,998
State Sources	4,308,520	16,500			4,325,020
Federal Sources		280,120			280,120
Total Revenues	8,866,246	311,892			9,178,138
EXPENDITURES					
Regular Instruction	2,015,906	210,180			2,226,086
Special Education	249,633				249,633
Other Instruction	98,392				98,392
Support Services and Undistributed Costs:					
Tuition	1,943,862				1,943,862
Student & Instruction Related Services	457,389	78,254			535,643
General Administrative Services	185,627				185,627
School Administrative Services	136,815				136,815
Central Services	129,939				129,939
Administrative Information Technology	15,000				15,000
Plant Operations & Maintenance	468,389				468,389
Student Transportation	592,292				592,292
Unallocated Employee Benefits	2,053,341	24,840			2,078,181
Capital Outlay	330,692		267,061		597,753
Total Expenditures	8,677,277	313,274	267,061		9,257,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	188,969	(1,382)	(267,061)		(79,474)
OTHER FINANCING SOURCES (USES)					
Transfers to Charter School	(70,592)				(70,592)
Bond Proceeds			3,543,000		3,543,000
Total Other Financing Sources and Uses	(70,592)		3,543,000		3,472,408
Net Change in Fund Balances	118,377	(1,382)	3,275,939		3,392,934
Fund Balance—July 1 (Deficit)	1,498,267	(1,650)			1,496,617
Prior Period Adjustment	33,865	59,311			93,176
Fund Balance—July 1 Restated	1,532,132	57,661			1,589,793
Fund Balance—June 30	\$ 1,650,509	\$ 56,279	\$ 3,275,939	\$	\$ 4,982,727

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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 3,392,934**

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.	\$ (208,711)	
Depreciation expense	(649,523)	
Fixed Asset Adjustment	588,279	
Capital Outlay	<u>588,279</u>	(269,955)
 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.		 137,899
 Issuance of New Serial Bonds or Capital Leases is a Non-operating increase to Fund Balance in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance but is not reported as an increase in the Statement of Net Position.		 (3,543,000)
 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.		 (50,254)
 In the Statement of Activities, certain operating expenses, e.g. compensated absences 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).		 <u>34,004</u>
 Change in Net Position of Governmental Activities (A-2)		 \$ <u>(298,372)</u>

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

PROPRIETARY FUNDS

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>FOOD SERVICE FUND</u>	<u>SCHOOL CARE</u>	<u>TOTAL</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 21,371	\$ 9,500	\$ 30,871
Accounts Receivable			
State	754		754
Federal	5,700		5,700
Interfund	16,016		16,016
Inventories	1,438		1,438
Total Current Assets	<u>45,279</u>	<u>9,500</u>	<u>54,779</u>
Noncurrent Assets:			
Equipment	142,294		142,294
Less: Accumulated Depreciation	(132,732)		(132,732)
Total Noncurrent Assets	<u>9,562</u>		<u>9,562</u>
Total Assets	<u>54,841</u>	<u>9,500</u>	<u>64,341</u>
LIABILITIES:			
Current Liabilities:			
Interfund Payable		586	586
Unearned Revenue	3,195	430	3,625
Total Current Liabilities	<u>3,195</u>	<u>1,016</u>	<u>4,211</u>
NET POSITION:			
Invested in Net Capital Assets	9,562		9,562
Unrestricted	42,084	8,484	50,568
Total Net Position	<u>51,646</u>	<u>8,484</u>	<u>60,130</u>
Total Liabilities and Net Position	<u>\$ 54,841</u>	<u>\$ 9,500</u>	<u>\$ 64,341</u>

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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>FOOD SERVICE FUND</u>	<u>SCHOOL CARE</u>	<u>TOTAL</u>
OPERATING REVENUES			
Local Sources			
Daily Sales			
Reimbursable Programs	\$	\$	\$
Non-Reimbursable Programs			
Special Functions			
Program Fees		20,104	20,104
Total Operating Revenue:		<u>20,104</u>	<u>20,104</u>
OPERATING EXPENSES			
Labor	642	11,241	11,883
Depreciation	1,488		1,488
Purchased Services (Including Fixed Price Contract)	101,713		101,713
Cost of Sales - Non Reimbursable Programs			
Supplies and Materials		384	384
Repairs and Maintenance	824		824
Utilities			
Management Fee	11,000		11,000
Other			
Total Operating Expenses	<u>115,667</u>	<u>11,625</u>	<u>127,292</u>
Operating Income (Loss)	<u>(115,667)</u>	<u>8,479</u>	<u>(107,188)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	3,826		3,826
Federal Sources			
National School Lunch Program	87,710		87,710
School Breakfast Program	55,370		55,370
Food Distribution Program	11,771		11,771
Interest	16	5	21
Total Non-operating Revenues	<u>158,693</u>	<u>5</u>	<u>158,698</u>
Net Income (Loss) Before Operating Transfers	<u>43,026</u>	<u>8,484</u>	<u>51,510</u>
Change in Net Position	43,026	8,484	51,510
Total Net Position—Beginning	8,620		8,620
Total Net Position—Ending	<u>\$ 51,646</u>	<u>\$ 8,484</u>	<u>\$ 60,130</u>

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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>FOOD SERVICE FUND</u>	<u>SCHOOL CARE</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ -	\$ 20,104
Payments to Employees	(642)	(11,787)
Payments to Suppliers	(112,038)	
Payments to Others	(16,480)	(384)
Net Cash Provided by (Used for) Operating Activities	<u>(129,160)</u>	<u>7,933</u>
Cash Flows from Non-Capital Financing Activities		
State Sources	3,826	
Federal Sources	143,080	
Transfer from General Fund		0.00
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>146,906</u>	<u>0.00</u>
Cash Flows from Capital Financing Activities		
Purchase of Fixed Assets		
Net Cash Provided by (Used for) Capital Financing		
Cash Flows from Investing Activities		
Interest and Dividends	16	5
Net Cash Provided by (Used for) Investing Activities	<u>16</u>	<u>5</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,762	7,938
Balances - Beginning of Year	3,609	1,562
Balances - End of Year	<u>\$ 21,371</u>	<u>\$ 9,500</u>
Operating Income (Loss)	\$ (115,667)	\$ 8,479
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Food Distribution Program	11,771	
Depreciation	1,488	
Change in Assets and Liabilities		
(Increase) Decrease in Inventory	1,793	
(Increase) Decrease in Accounts Receivable	(783)	28
(Increase) Decrease in Interfund Receivable	(16,016)	
Increase (Decrease) in Unearned Revenue	(641)	(574)
Increase (Decrease) in Payables	(4,696)	
Increase (Decrease) in Interfund Payables	(6,409)	
Total Adjustments	<u>(13,493)</u>	<u>(546)</u>
Net Cash Used by Operating Activities	<u>\$ (129,160)</u>	<u>\$ 7,933</u>

FIDUCIARY FUNDS

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The District serves an area of forty square miles. It is located in Salem County and provided education for all of Upper Pittsgrove Township's grades Pre-Kindergarten through Grade 8. The year ended with an enrollment of 332 students.

Reporting Entity:

The Upper Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board consists of elected officials and is responsible for the fiscal control of the District.

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 whether:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Upper Pittsgrove 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.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

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

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

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.
- 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.

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

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

New Accounting Standards (Continued):

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

A. Basis of Presentation:

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

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

A. Basis of Presentation (Continued):

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

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

B. Fund Accounting:

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

GOVERNMENTAL FUND TYPE

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

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

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

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

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

B. Fund Accounting (Continued):

GOVERNMENTAL FUND TYPE (Continued)

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The District currently has no capital projects and, therefore, has not included a capital projects fund.

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.

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:

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

The District's Enterprise Fund is comprised of the Food Service Fund and After School Care program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net 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 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 12 Years for Equipment.

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

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

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

B. Fund Accounting (Continued):

FIDUCIARY FUNDS

Fiduciary funds include expendable trust, nonexpendable trust and agency funds. The measurement focus of the expendable trust funds is the same as for governmental funds. The measurement focus of nonexpendable trust funds is similar to proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The District reports the following 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. The Board approved \$250 in scholarship awards in 2019-2021 but none were awarded.

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

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

C. Basis of Accounting and Measurement Focus:

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

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

C. Basis of Accounting and Measurement Focus (Continued):

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

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

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which 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.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types as shown on Exhibit C-1.

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

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

E. Encumbrances Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

F. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide Financial Statements and in the Enterprise Fund, inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. This includes Federal Commodity Food in the amount of \$642. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$	642
Supplies		796
		<hr/>
	\$	1,438
		<hr/> <hr/>

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

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure. The capitalization threshold used by Districts in the State of New Jersey is \$2,000.

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

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

F. Assets, Liabilities and Equity (Continued):

Capital Assets (Continued)

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the full month convention over the following estimated useful lives:

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

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

G. 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.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and Medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

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

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

H. Accrued Liabilities and Long-term Obligations:

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

I. Net Position:

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

J. Fund Balance Reserves:

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

K. Operating Revenues and Expenses:

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

L. Allocation of Indirect Expenses:

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

M. Extraordinary and Special Items:

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

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

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

N. Management Estimates:

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

O. Unearned Revenue:

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

P. Fund Equity:

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

Q. Comparative Data/Reclassifications:

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

R. Revenues – Exchange and Non-exchange Transactions:

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

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

S. Bond and Lease Acquisition Costs:

As part of any bond or long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2021.

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

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

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

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

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

	Cash and Cash Equivalents
Checking accounts	\$ 4,888,572
Certificates of Deposit	12,703
Total	<u>\$ 4,901,275</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA17:9-41tseq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2021 the School Districts bank balance of \$5,143,639 was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	4,893,639
Total	<u>\$ 5,143,639</u>

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account may be established by the District for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facility 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. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by 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 support costs of uncompleted projects in its approved LRFP. During the 2019-20 school year, \$225 of interest earnings and \$300,000 was added to the capital reserve account and \$-0- was appropriated in the 2019-20 budget. In 2020-21, \$50,000 was added to the reserve, along with interest income of \$225, resulting in a balance at June 30, 2021 of \$505,403. The June 30, 2021 LFRP reflects the balance of local support costs of uncompleted capital projects at June 30, 2021. There were no withdrawals from the capital reserve for use in a DOE approved facilities project during the 2020-21 School Year.

NOTE 5. OPERATING LEASE

The District had no new operating lease agreements during the 2019-2021 school year.

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

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account may be established by the District for the accumulation of funds for maintenance expenditures in subsequent fiscal years. This reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance expenditures in the District's annual general fund budget certified for taxes.

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

Beginning Balance, July 1, 2020	\$ 445,416
Interest Earnings	250
Deposits	250,000
Unspent Budget Returned	98,763
Withdrawals	<u>(400,000)</u>
 Ending Balance, June 30, 2021	 \$ <u>394,429</u>

Of this amount, \$0 has been appropriated as revenue to fund the 2021-2022 operating budget.

NOTE 7. CAPITAL ASSETS

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

	<u>Beginning Balance 7/1/20</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance 6/30/21</u>
Governmental Activities				
Land - Capital Assets not Depreciated	\$ 781,429			\$ 781,429
Facility and Improvements	7,116,254	\$ 588,279	\$ (580,562)	7,123,971
Transportation	728,163			728,163
Machinery and Equipment	573,953	-		573,953
Totals at Historical Cost	8,418,370	588,279	(580,562)	8,426,087
Less Accumulated Depreciation	(6,534,759)	(208,711)	(68,961)	(6,812,431)
	<u>1,883,611</u>	<u>379,568</u>	<u>(649,523)</u>	<u>1,613,656</u>
Government Activities - Capital Assets, Net	<u>\$ 2,665,040</u>	<u>\$ 379,568</u>	<u>\$ (649,523)</u>	<u>\$ 2,395,085</u>
Business-type Activities				
Equipment	\$ 142,294	\$ -	\$ -	\$ 142,294
Accumulated Depreciation	(131,244)	(1,488)		(132,732)
Business-type Activities Capital Assets, Net	<u>\$ 11,050</u>	<u>\$ (1,488)</u>	<u>\$ -</u>	<u>\$ 9,562</u>

Depreciation was Charged to Governmental Functions as Follows:

Unallocated	<u>\$ 208,711</u>
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**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 8. LONG-TERM OBLIGATIONS

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

	Beginning 7/01/20 Balance	Additions	Reductions	Ending 6/30/21 Balance	Amounts Due within One Year	Long Term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ -	\$ 3,543,000	\$ -	\$ 3,543,000	\$ -	\$ 3,543,000
Other Liabilities:						
Compensated absences Payable	170,610		34,004	136,606	-	136,606
Net Pension Liability	1,227,925		364,041	863,884		863,884
Total Long-term Obligations	\$ 1,398,535	\$ 3,543,000	\$ 398,045	\$ 4,543,490	\$ -	\$ 4,543,490

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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 January 26, 2021, the Board of Education issued Series 2021 Bonds in the amount of \$3,543,000, with interest payable at various rates on March 15th and September 15th each year, beginning on September 15, 2021 for interest and September 15, 2022 for principal. starting with in refunding bonds at various interest rates per redemption batch, from 1.5% to 1.875%.

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

Year Ending June 30,	Principal	Interest	Total
2022		\$ 65,300	\$ 218,300
2023	\$ 153,000	58,366	208,366
2024	150,000	56,094	211,094
2025	155,000	53,806	208,806
2026	155,000	51,481	211,481
2027	160,000	49,119	214,119
2028	165,000	46,681	216,681
2029	170,000	44,169	219,169
2030	175,000	41,363	221,363
2031	180,000	38,256	223,256
2032	185,000	35,063	225,063
2033	190,000	31,781	226,781
2034	195,000	28,413	228,413
2035	200,000	24,956	229,956
2036	205,000	21,413	231,413
2037	210,000	17,781	237,781
2038	220,000	14,019	239,019
2039	225,000	10,125	235,125
2040	225,000	6,188	231,188
2041	225,000	2,109	2,109
	<u>\$ 3,543,000</u>	<u>\$ 696,482</u>	<u>\$ 4,239,482</u>

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

NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)

B. Bonds Authorized But Not Issued – As of June 30, 2021, the District had no authorized but not issued bonds.

C. Capital Leases – The District does not currently have any equipment under capital leases.

NOTE 9. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 23,877. 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 \$57,952 and \$66,465 respectively.

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

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Contributions (Continued)

The total payroll for the year ended June 30, 2021 was \$3,340,051. Payroll covered by PERS was \$318,359 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 \$863,884. 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 0.005298% which was a decrease of 0.00152% 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 \$(88,460). 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	\$ 15,730	\$ 3,055
Changes of assumptions	28,025	361,716
Net difference between projected and actual earnings on pension plan investments	29,528	
Changes in proportion	100,156	443,764
Contributions subsequent to the measurement date	57,952	
Total	\$ 231,391	\$ 808,535

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	\$ (277,967)
2022	(184,065)
2023	(82,028)
2024	(76,333)
2025	(14,704)
Thereafter	
Total	\$ (635,097)

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

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

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

Year		2021		2020
Collective deferred outflows of resources	\$	231,391	\$	363,708
Collective deferred inflows of resources	\$	808,535	\$	714,710
Collective Net Pension Liability	\$	863,884	\$	1,227,925
District's Proportion		0.005298%		0.006815%

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.

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

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

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

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.

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

NOTE 9. PENSION PLANS (CONT'D)

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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>1,096,037</u>	\$ <u>863,884</u>	\$ <u>679,453</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

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

NOTE 9. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (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 \$702,511 to the TPAF for pension contributions, \$220,156 for post-retirement benefits on behalf of the School, and \$272 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$239,110 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 \$1,000,494 and revenue of \$1,000,494 for support provided by the State.

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

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

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

NOTE 9. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (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.

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	\$ 18,940,164	\$ 16,089,187	\$ 13,786,642
State's Share of the Net Pension Liability	\$ 77,517,093,055	\$ 65,993,498,688	\$ 56,425,087,777

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

NOTE 9. PENSION PLANS (CONT'D)

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 \$5,543 and the District's employer contribution, recognized in pension expense, was \$3,023. 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.

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

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

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

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$18,518,195. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02731%. 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:

	TPAF/ABP	PERS	PFRS
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%.

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

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

Discount rate

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
State of New Jersey	
Balance as of June 30, 2019 Measurement Date	\$ 41,729,081,045
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	26,080,881,563
Balance as of June 30, 2020 Measurement Date	\$ <u>67,809,962,608</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		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 54,738,488,540	67,809,962,608	83,375,182,975

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

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$712,642. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,811,544	\$ 2,504,424
Changes of Assumptions	3,149,884	2,113,031
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	-	1,152,631
Contributions Subsequent to the Measurement Date		
Total	\$ 5,961,428	\$ 5,770,086

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

Measurement Period Ending June 30,		OPEB
2021	\$	(148,556)
2022		(148,556)
2023		(148,556)
2024		(148,556)
2025		(148,556)
Thereafter		934,122
Total	\$	191,342

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 administrator is as follows:

Lincoln Investment Planning, Inc. and Oppenheimer Funds

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

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District files form NJ-927 with the State of New Jersey.

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 trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 33,865	\$ 15,936	\$ 25,162	\$ 24,639

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 75,394	\$ 16,016
Special Revenue Fund		74,808
Food Service	16,016	
Latchkey		586
Total	\$ 91,410	\$ 91,410

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,650,509 General Fund balance at June 30, 2021, \$122,056 is committed for Encumbrances; \$505,403 has been restricted for Capital Reserve, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$394,429 has been restricted for Maintenance Reserve; \$200,000 has been restricted for Tuition Reserve, of which \$100,000, has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$24,639 is reserved for Unemployment Compensation \$253,553 is restricted as Excess Surplus at June 30, 2021, of which \$113,126, has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$56,955 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2021; and \$93,474 represents deficit in unassigned and Undesignated Fund Balance.

Debt Service Fund – The Debt Service fund had no fund balance at June 30, 2021.

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

NOTE 15. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance of \$113,126 is to be anticipated in the 2021-22 budget and \$140,427 is to be anticipated in the 2022-23 budget.

NOTE 16. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's Solicitor, there are currently no claims.

NOTE 17. 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.

NOTE 18. DEFICIT FUND BALANCES

The District has no deficit fund balance in the General Fund and \$ (1,650) in the Special Revenue Fund, as of June 30, 2021, as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last two state aid payments in the subsequent fiscal year, the district cannot recognize those state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficits do not alone indicate that the district is facing financial difficulties. The budget basis fund balance in the General Fund is higher by the 19th and 20th state aid payments. The Special Revenue Fund deficit of \$1,650 is equal to the 19th and 20th payments received in July 2021.

NOTE 19. RECEIVABLES

Receivables 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.

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

NOTE 19. RECEIVABLES (Continued)

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

Receivables:	General Fund	Special Revenue Fund	Enterprise Funds	Total
Governmental	\$ 88,512	\$ 141,276	\$ 6,454	\$ 236,242
Other	1,898			1,898
Totals	<u>\$ 90,410</u>	<u>\$ 141,276</u>	<u>\$ 6,454</u>	<u>\$ 238,140</u>

Accounts receivable from other governmental entities does not include \$157,387 relating to tuition, transportation and other costs for two homeless children not domiciled in Upper Pittsboro School District, of which, collection is not known as of the audit date. The Upper Pittsboro School District is pursuing collection of the above accounts receivable.

NOTE 20. TUITION RESERVE

The District has a Tuition Reserve of \$200,000 for tuition and within the maximum permitted, which is 10% of the previous year's budgeted tuition expense. There is \$100,000 appropriated in the 2021-22 budget and \$100,000 available for the 2022-23 budget.

NOTE 21. PRIOR YEAR ADJUSTMENT

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

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities Net Position	\$ 2,412,120	\$ 93,176	\$ 2,505,296
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	1,498,267	33,865	1,532,132
Special Revenue	(1,650)	59,311	57,661
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Unemployment Compensation Trust	33,865	(33,865)	
Student Activities	45,618	(45,618)	
Scholarship Fund	13,693	(13,693)	

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

NOTE 22. SUBSEQUENT EVENTS

There were no events 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

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,464,529		\$ 4,464,529	\$ 4,464,529	
Tuition from Individuals - Preschool	20,000		20,000	12,283	(7,717)
Transportation from Other LEAs	25,000		25,000		(25,000)
Interest on Investments				11,234	11,234
Interest on Capital Reserve Account	225		225	225	
Interest on Maintenance Reserve Account	25		25	250	225
Rentals	47,000		47,000	55,854	8,854
Miscellaneous	5,000		5,000	13,351	8,351
Total Local Sources	4,561,779		4,561,779	4,557,726	(4,053)
State Sources:					
Equalization Aid	2,189,963		2,189,963	2,189,963	
School Choice	221,075		221,075	221,075	
Special Education Aid	300,139		300,139	300,139	
Transportation Aid	271,073		271,073	271,073	
Security Aid	55,469		55,469	55,469	
Extraordinary Aid				81,712	81,712
Non-Public Transportation Aid				6,090	6,090
On-Behalf TPAF Pension Contribution (non-budgeted)				702,511	702,511
On-Behalf TPAF Postretirement Medical Contribution (non-budgeted)				220,156	220,156
On-Behalf TPAF Long-Term Disability Contribution (non-budgeted)				272	272
Reimbursed TPAF Social Security (non-budgeted)				239,110	239,110
Total State Sources	3,037,719		3,037,719	4,287,570	1,249,851
Federal Sources:					
TOTAL REVENUES	\$ 7,599,498		\$ 7,599,498	\$ 8,845,296	\$ 1,245,798

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES:	Original Budget	Budget Adjustments Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Preschool	\$ 10,640	\$ 28,099	\$ 38,739	\$ 38,739	
Kindergarten	235,379	11,837	247,216	247,216	
Grades 1-5	1,164,123	(132,550)	1,031,573	1,026,814	4,759
Grades 6-8	659,490	(81,074)	578,416	578,416	
Regular Programs - Home Instruction					
Salaries of Teachers					
Purchased Professional - Educational Services	5,000	(1,506)	3,494		3,494
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,871	448	2,319	2,319	
Purchased Technical Services	32,043		32,043	27,765	4,278
Other Purchased Services	22,200	10,578	32,778	20,595	12,183
General Supplies	45,150	49,981	95,131	72,607	22,524
Textbooks	12,000		12,000	1,435	10,565
Total Regular Programs - Instruction	2,187,896	(114,187)	2,073,709	2,015,906	57,803
Special Education - Instruction					
Resource Room/Resource Center					
Salaries of Teachers	163,641	52,061	215,702	215,045	657
Other Salaries for Instruction	44,184	22,467	66,651	34,159	32,492
General Supplies	1,000	870	1,870	429	1,441
Total Learning and Language Disabilities	208,825	75,398	284,223	249,633	34,590
Total Special Education	208,825	75,398	284,223	249,633	34,590
Basic Skills/Remedial - Instruction					
Salaries of Teachers	5,043	20,425	25,468	25,468	
Total Basic Skills/Remedial - Instruction	\$ 5,043	\$ 20,425	\$ 25,468	\$ 25,468	

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES: (Continued)	Original Budget	Budget Adjustments Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Bilingual Education - Instruction					
Salaries of Teachers	\$ 61,039	\$	\$ 61,039	\$ 61,039	\$
General Supplies	350	3	353	256	97
Total Bilingual Education - Instruction	61,389	3	61,392	61,295	97
School Sponsored Co/Extra-Curricular Activities - Instruction					
Salaries	40,000	(19,982)	20,018	11,579	8,439
Supplies and Materials	500	(50)	450	450	450
Other Objects		50	50	50	
Total School Sponsored Co/Extra-Curricular Activities	40,500	(19,982)	20,518	11,629	8,889
School Sponsored Athletic Activities					
Salaries	12,000		12,000		12,000
Purchased Services	5,000		5,000		5,000
Supplies and Materials	300		300		300
Other Objects	650		650		650
Total School Sponsored Athletic Activities	17,950		17,950		17,950
Total Instruction	2,521,603	(38,343)	2,483,260	2,363,931	119,329
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State - Regular	1,444,732	207,815	1,652,547	1,652,547	
Tuition to Other LEAs Within State - Special	208,420	(184,497)	23,923	17,121	6,802
Tuition County Voc. School Dist - Regular	91,289	11,918	103,207	101,622	1,585
Tuition to CSSD and Regional Day Schools	83,082	14,550	97,632	97,632	
Tuition to Private Schools/Disabled Within State	194,414	(49,786)	144,628	74,940	69,688
Total Undistributed Expenditures - Instruction	2,021,937		2,021,937	1,943,862	78,075
Attendance and Social Worker Services					
Salaries	17,893		17,893	14,929	2,964
Total Attendance and Social Worker Services	17,893		17,893	14,929	2,964
Social Worker					
Salaries - School Social Workers		38,406	38,406	38,088	318
Total Attendance and Social Worker Services		38,406	38,406	38,088	318
Health Services					
Salaries	65,839	(2,696)	63,143	62,201	942
Purchased Professional and Technical Services	7,800		7,800	6,421	1,379
Supplies and Materials	2,500	2,696	5,196	2,804	2,392
Other Objects	200		200	52	148
Total Health Services	\$ 76,339	\$	\$ 76,339	\$ 71,478	\$ 4,861

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES: (Continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed Expenditures					
Speech, OT, PT and Related Services					
Salaries	\$ 33,070	\$ 15,871	\$ 48,941	\$ 28,834	\$ 20,107
Purchased Professional/Educational Services	38,500	(129)	38,371	31,393	6,978
Supplies and Materials	500	129	629	629	
Total Speech, OT, PT and Related Services	72,070	15,871	87,941	60,856	27,085
Other Support Services Students - Extraordinary Services					
Salaries	24,587	(6,610)	17,977	17,254	723
Group Insurance		4,949	4,949		4,949
Purchased Professional/Educational Services	76,650	14,625	91,275	67,064	24,211
Total Other Support Services Students - Extraordinary Service	101,237	12,964	114,201	84,318	29,883
Guidance					
Salaries of Other Professional Staff	39,580	29,859	69,439	69,439	
Supplies and Materials	400		400		400
Total - Guidance	39,980	29,859	69,839	69,439	400
Child Study Team					
Salaries of Other Professional Staff	36,020	(23,193)	12,827	12,123	704
Salaries of Secretarial and Clerical Assistants	12,586		12,586	12,480	106
Purchased Professional/Educational Services	11,847	(1,034)	10,813	851	9,962
Other Professional and Technical Services	1,000	(371)	629		629
Supplies and Materials	3,000	1,404	4,404	4,404	
Other Objects	150		150		150
Total Child Study Team	64,603	(23,194)	41,409	29,858	11,551
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	98,230	(42,551)	55,679	55,307	372
Other Salaries		16,500	16,500	16,500	
Purchased Professional/Educational Services	1,100	15,400	1,151	1,151	
Other Prof/Tech Services	20,000	(20,000)			
Total Improvement of Instructional Services	119,330	(46,000)	73,330	72,958	372
Educational Media Services/School Library					
Salaries	15,000	(15,000)			
Purchased Professional and Technical Services	3,925		3,925	3,889	36
Supplies and Materials	3,500		3,500	2,959	541
Total Educational Media Services/School Library	\$ 22,425	\$ (15,000)	\$ 7,425	\$ 6,848	\$ 577

**UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES: (Continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 13,466	\$ (2,789)	\$ 10,677	\$ 4,687	\$ 5,990
Purchased Professional- Educational Services	6,000		6,000		6,000
Other Prof/Tech Services	1,400		1,400	1,400	
Other Purchased Services (400-500 series)	5,000		5,000	2,530	2,470
Other Objects	130		130		130
Total Instructional Staff Training Services	25,996	(2,789)	23,207	8,617	14,590
Support Services - General Administration					
Salaries	68,682		68,682	68,188	494
Legal Services	25,000	8,410	33,410	33,410	
Audit Fees	18,500	5,090	23,590	23,590	
Architectural/Engineering Services	10,000		10,000	4,200	5,800
Other Purchased Professional Services	26,825	(13,800)	13,025	4,845	8,180
Purchased Technical Services	500	450	950	950	
Communications/Telephone	41,240	(7,668)	33,572	14,563	19,009
Misc Purchased Services (400-500) [Other than 530&585]	16,303	2,230	18,533	18,426	107
General Supplies	3,000	7,338	10,338	9,259	1,079
Misc Expenditures	3,550	150	3,700	3,700	
BOE Membership Dues and Fees	12,150		12,150	4,496	7,654
Total Support Services - General Administration	225,750	2,200	227,950	185,627	42,323
Support Services - School Administration					
Salaries of Principals/Assistant Principals	44,847	57,058	101,905	101,905	
Salaries of Secretarial and Clerical Assistants	17,652	2,789	20,441	12,089	8,352
Other Salaries	500		500		500
Purchased Prof. And Tech. Services	21,600	(1,674)	19,926	19,456	470
Supplies and Materials	4,000	3,025	7,025	2,520	4,505
Other Objects	1,900		1,900	845	1,055
Total Support Service - School Administration	90,499	61,198	151,697	136,815	14,882
Central Services					
Salaries		35,769	35,769	35,769	
Purchased Professional Services	109,000	(37,288)	71,712	71,712	
Purchased Technical Services	15,000	3,700	18,700	18,700	
Travel		185	185	185	
Supplies and Materials	1,700	1,852	3,552	3,473	79
Miscellaneous Expenditures	150		150	100	50
Total Central Services	125,850	4,218	130,068	129,939	129
Admin. Info. Technology					
Salaries	3,000		3,000	3,000	
Purchased Technical Services	16,000	(1,500)	14,500	12,000	2,500
Total Admin. Info. Technology	\$ 19,000	\$ (1,500)	\$ 17,500	\$ 15,000	\$ 2,500

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES: (Continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Required Maintenance for School Facilities					
Salaries	\$ 29,733	\$ 450	\$ 30,183	\$ 30,183	\$
Cleaning, Repair and Maintenance Services	81,600	(37,305)	44,295	25,894	18,401
General Supplies	6,000		6,000	4,677	1,323
Other Objects	500		500		500
Total Required Maintenance for School Facilities	117,833	(36,855)	80,978	60,754	20,224
Custodial Services:					
Salaries	180,296	(2,132)	178,164	176,502	1,662
Purchased Prof. And Tech. Services	5,500	29,925	35,425	3,739	-31,686
Cleaning, Repair and Maintenance Services	41,500	14,640	56,140	43,831	12,309
Insurance	36,450	(367)	36,083	32,717	3,366
Miscellaneous Purchased Services	2,050		2,050	2,044	6
General Supplies	38,800	42,003	80,803	55,128	25,675
Energy - Natural Gas	500	150	650	10	640
Energy - Electricity	94,100		94,100	93,664	436
Total Custodial Services	399,196	84,219	483,415	407,635	75,780
Security					
General Supplies					
Total Required Maintenance for School Facilities					
Total Other Operations and Maintenance of Plant Services	517,029	47,364	564,393	468,389	96,004
Student Transportation Services:					
Salaries of Non Instructional Aid	18,847	(732)	18,115	14,479	3,636
Salaries for Pupil Trans (Between Home/School) - Regular	34,159	(6,245)	27,914	27,880	34
Salaries for Pupil Trans (Between Home/School) - Special	31,299	10,702	42,001	41,976	25
Salaries for Pupil Trans (Other than Between Home/School)	6,000	(3,725)	2,275		2,275
Other Purchased Prof. and Technical Serv.	2,800		2,800	1,368	1,432
Cleaning, Repair and Maintenance Services	18,000	(821)	17,179	14,350	2,829
Contract Services-Aid in Lieu Payments-Non Public School	20,000	2,217	22,217	19,348	2,869
Contract Services-Aid in Lieu Payments-Choice School	2,000	(1,000)	1,000		1,000
Contract Services-(Home/School) Vendors	355,319	69,480	424,799	412,957	11,842
Contract Services-(Other than Betw Home/School)	5,000		5,000		5,000
Contract Services-(Home/School) Joint Agreements	17,500	3,236	20,736	14,624	6,112
Contract Services (Special Education Stds)-Joint Agrmts	94,500	(16,889)	77,611		77,611
Contract Services (Regular Stds)-ESCs & CTSA's		11,520	11,520	11,520	
Contract Services (Special Education Stds)-ESCs & CTSA's		19,088	19,088	19,088	
Miscellaneous Purchased Services - Transportation	25,700	(4,265)	21,435	12,750	8,685
General Supplies	15,600	4,200	19,800	1,952	17,848
Total Student Transportation Services	\$ 646,724	\$ 86,766	\$ 733,490	\$ 592,292	\$ 141,198

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES: (Continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated Benefits					
Social Security Contributions	\$ 65,000	\$ (289)	\$ 64,711	\$ 53,532	\$ 11,179
Other Retirement Contributions - PERS	67,525	8,544	76,069	76,069	
Unemployment Compensation	17,500	(214)	17,286	9,226	8,060
Workmen's Compensation	38,364	289	38,653	38,653	
Health Benefits	805,112	(23,409)	781,703	697,347	84,356
Tuition Reimbursements	13,000	(400)	12,600		12,600
Other Employee Benefits	1,009	17,106	18,115	16,465	1,650
Unused Sick Payments to Term/Ret Staff	30,750	(30,750)			
Total Unallocated Benefits	1,038,260	(29,123)	1,009,137	891,292	117,845
On-Behalf TPAF Pension Contribution (non-budgeted)				702,511	(702,511)
On-Behalf TPAF Postretirement Contribution (non-budgeted)				220,156	(220,156)
On-Behalf TPAF Long-Term Disability Contribution (non-budgeted)				272	(272)
Reimbursed TPAF Social Security (non-budgeted)				239,110	(239,110)
Total On-Behalf Contributions				1,162,049	(1,162,049)
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	1,038,260	(29,123)	1,009,137	2,053,341	(1,044,204)
Total Undistributed Expenditures	5,224,922	181,240	5,406,162	5,982,654	(576,492)
Interest Earned on Maintenance Reserve	25		25		25
Total Interest Earned	25		25		25
Total Expenditures - Current Expense	7,746,550	142,897	7,889,447	8,346,585	(457,138)
Capital Outlay					
Increase in Capital Reserve					
Equipment:					
Instruction					
General Administration					
Maintenance					
Total Equipment					
Facilities Acquisitions and Construction Services					
Interest Deposit to Capital Reserve					
Architectural /Engineering Services		36,598	36,598	36,598	
Construction Services		383,383	383,383	284,620	98,763
Assessment for Debt Service on SDA Funding	9,474		9,474	9,474	
Total Facilities Acquisitions and Construction Services	9,474	419,981	429,455	330,692	98,763
Assets Acquired Under Capital Leases (non-budgeted)					
Interest Deposit to Capital Reserve	225		225		225
Total Assets Acquired Under Capital Leases (non-budgeted)					
Total Capital Outlay	9,699	419,981	429,680	330,692	98,988
Total Expenditures	\$ 7,756,249	\$ 562,878	\$ 8,319,127	\$ 8,677,277	\$ (358,150)

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (156,751)	\$ (562,878)	\$ (719,629)	\$ 168,019	\$ 887,648
Other Financing Sources (Uses):					
Transfer to Charter School	(76,265)		(76,265)	(70,592)	5,673
Total Other Financing Sources (Uses)	(76,265)		(76,265)	(70,592)	5,673
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(233,016)	(562,878)	(795,894)	97,427	893,321
Fund Balances, July 1	1,814,154		1,814,154	1,814,154	
Prior Period Adjustment				33,865	33,865
Fund Balances, July 1				1,848,019	33,865
Fund Balances, June 30	\$ 1,581,138	\$ (562,878)	\$ 1,018,260	\$ 1,945,446	\$ 927,186
<u>RECAPITULATION :</u>					
<u>Fund Balances</u>					
Restricted for:					
Capital Reserve				\$ 505,403	
Maintenance Reserve				394,429	
Tuition Reserve - 2020-21				100,000	
Excess Surplus				140,427	
Unemployment Compensation				24,639	
Assigned to:					
Year - End Encumbrances				122,056	
Excess Surplus - Designated for Subsequent Year's Expenditures				113,126	
Tuition Reserve Designated for Subsequent Year's Expenditures				100,000	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures				56,955	
Unassigned Fund Balance				388,411	
				<u>1,945,446</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(294,937)	
Fund Balance per Governmental Funds (GAAP)				\$ <u>1,650,509</u>	

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

**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Federal Sources	\$ 189,983	\$ 101,115	\$ 291,098	\$ 287,160	\$ 3,938
State Sources		16,500	16,500	16,500	
Local		74,583	74,583	15,272	59,311
Total Revenues	189,983	192,198	382,181	318,932	63,249
EXPENDITURES					
Instruction					
Salaries of Teachers	95,949	(12,529)	83,420	83,420	
Other Purchased Services		56,471	56,471	56,214	257
Supplies and Materials	8,500	72,767	81,267	77,586	3,681
Total Instruction	104,449	116,709	221,158	217,220	3,938
Support Services					
Personal Services - Employee Benefits		24,840	24,840	24,840	
Purchased Prof/Technical Services	85,534	(30,611)	54,923	54,923	
Materials and Supplies		10,631	10,631	10,631	
Scholarships Awarded		13,725	13,725	250	13,475
Student Activities		56,904	56,904	12,450	44,454
Total Support Services	85,534	75,489	161,023	103,094	57,929
Facilities Acquisition and Construction Services					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	189,983	192,198	382,181	320,314	61,867
Excess (Deficiency) of Revenues Over (Under) Expenditures				(1,382)	1,382
Funded Balance, July 1					
Prior Period Adjustment				59,311	
Fund Balance, July 1 (Restated)				59,311	
Fund Balance, June 30				\$ 57,929	
Recapitulation:					
Restricted:					
Scholarships				13,475	
Student Activities				44,454	
Total Fund Balance				\$ 57,929	

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule	[C-1] \$ 8,845,296	[C-2] \$ 318,932
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances: June 30, 2020		
Encumbrances: June 30, 2021		(7,040)
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	315,887	1,650
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(294,937)	(1,650)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>8,866,246</u>	[B-2] \$ <u>311,892</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,677,277	[C-2] \$ 320,314
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.		
Pension Expense recognized for GAAP but not for budgetary purposes.		
Encumbrances: June 30, 2020		
Encumbrances: June 30, 2021		(7,040)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>8,677,277</u>	[B-2] \$ <u>313,274</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

UPPER PITTSBURGH 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	0.005298%	0.006815%	0.006097%	0.007095%	0.007970%	0.008546%	0.008009%	0.007379%
District's Proportionate Share of the Net Pension Liability	\$ 863,884	\$ 1,227,924	\$ 1,200,500	\$ 1,651,487	\$ 2,360,607	\$ 1,918,440	\$ 1,499,685	\$ 1,410,216
District's Covered-Employee Payroll	\$ 318,359	\$ 929,171	\$ 416,577	\$ 440,295	\$ 425,742	\$ 484,808	\$ 548,308	\$ 586,060
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	271.36%	132.15%	288.18%	375.09%	554.47%	395.71%	273.51%	240.63%
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.

UPPER PITTSBORO 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	\$ 57,952	\$ 66,465	\$ 60,851	\$ 66,106	\$ 70,972	\$ 73,474	\$ 66,033	\$ 55,597
Contributions in relation to the Contractually Required Contribution	(57,952)	(66,465)	(60,851)	(66,106)	(70,972)	(73,474)	(66,033)	(55,597)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 318,359	\$ 929,171	\$ 416,577	\$ 440,295	\$ 425,742	\$ 484,808	\$ 548,308	\$ 586,060
Contributions as a Percentage of Covered-Employee Payroll	18.20%	7.15%	14.61%	15.01%	16.67%	15.16%	12.04%	9.49%

* 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.

UPPER PITTSBURGH 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	0.024434%	0.023227%	0.023426%	0.022688%	0.022968%	0.021640%	0.021470%	0.021466%
District's Proportionate Share of the Net Pension Liability	\$ 16,089,187	\$ 14,254,333	\$ 14,903,389	\$ 15,297,179	\$ 18,068,023	\$ 13,677,666	\$ 11,474,875	\$ 10,848,929
District's Covered-Employee Payroll	\$ 2,694,166	\$ 2,457,172	\$ 2,573,360	\$ 2,600,252	\$ 2,452,489	\$ 2,442,426	\$ 2,354,687	\$ 2,326,390
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	597.19%	580.11%	579.14%	588.30%	736.72%	560.00%	487.32%	466.34%
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.

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

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 442,903	\$ 410,153	\$ 485,017	\$ 581,616
Interest Cost	427,078	525,210	579,508	500,821
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	2,663,902	(2,180,757)	(1,725,820)	
Changes of Assumptions	3,382,638	177,643	(1,530,480)	(2,022,188)
Member Contributions	9,772	10,841	12,326	13,538
Gross Benefit Payments	(322,387)	(365,733)	(356,625)	(367,653)
Net Change in Total OPEB Liability	6,603,906	(1,422,643)	(2,536,074)	(1,293,866)
Total OPEB Liability - Beginning	13,336,932	13,336,932	15,873,006	17,166,872
Total OPEB Liability - Ending	\$ 19,940,838	\$ 11,914,289	\$ 13,336,932	\$ 15,873,006
Covered-Employee Payroll	\$ 3,012,525	\$ 3,386,343	\$ 2,989,937	\$ 3,040,547
Total OPEB Liability as a Percentage of Covered-Employee Payroll	661.93%	351.83%	446.06%	522.04%

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.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	NCLB			I.D.E.A. PART B		SUBTOTAL PER E-1(2)	TOTAL	
	TITLE I PART A 2020-21	TITLE II PART A 2020-21	TITLE IV PART A 2020-21	BASIC	PRE- SCHOOL		2021	2020
REVENUES								
Federal Sources	\$ 75,829	\$ 14,762	\$ 10,000	\$ 96,015	\$ 3,583	\$ 86,971	\$ 287,160	\$ 231,891
State Sources						16,500	16,500	16,500
Local						15,272	15,272	
Total Revenues	75,829	14,762	10,000	96,015	3,583	118,743	318,932	248,391
EXPENDITURES								
Instruction								
Salaries of Teachers	52,000	10,100				21,320	83,420	85,910
Other Professional Services				48,629		7,585	56,214	
Supplies and Materials	3,029	622	10,000			63,935	77,586	38,892
Total Instruction	55,029	10,722	10,000	48,629		92,840	217,220	124,802
Support Services								
Personal Services - Employee Benefits	20,800	4,040					24,840	24,220
Purchased Professional/Technical Services				47,386	3,583	3,954	54,923	95,000
Materials and Supplies						10,631	10,631	374
Scholarships Awarded						250	250	
Studenty Activities						12,450	12,450	
Total Support Services	20,800	4,040		47,386	3,583	27,285	103,094	119,594
Facilities Acquisition								
Non-instructional Equipment								3,995
Total Facilities Acquisition								3,995
Total Expenditures	75,829	14,762	10,000	96,015	3,583	120,125	320,314	248,391
Excess (Deficiency) of Revenues						(1,382)	(1,382)	
Funde Balance, July 1								
Prior Period Adjustment						59,311	59,311	
Fund Balance, July 1 (Restated)						59,311	59,311	
Fund Balance, June 30	\$	\$	\$	\$	\$	\$ 57,929	\$ 57,929	\$

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	PRESCHOOL EDUCATION	CARES ACT	Digital Divide	Covid Relief	Scholarship Fund	Student Activity Fund	NJSBIG	TOTAL	
								2021	2020
REVENUES									
Federal Sources	\$	\$ 55,990	\$ 10,789	\$ 20,192	\$	\$	\$	\$ 86,971	\$ 27,793.00
State Sources	16,500							16,500	16,500.00
Local					32	11,286	3,954	15,272	
Total Revenues	16,500	55,990	10,789	20,192	32	11,286	3,954	118,743	44,293.00
EXPENDITURES									
Instruction									
Salaries of Teachers	16,500			4,820				21,320	16,710.00
Other Purchased Professional Services		7,585						7,585	
Supplies and Materials		37,774	10,789	15,372				63,935	23,214.00
Total Instruction	16,500	45,359	10,789	20,192				92,840	39,924.00
Support Services									
Personal Services - Employee Benefits									
Purchased Professional/Technical Services							3,954	3,954	
Materials and Supplies		10,631						10,631	374.00
Scholarships Awarded					250			250	
Student Activities						12,450		12,450	
Total Support Services		10,631			250	12,450	3,954	27,285	374.00
Facilities Acquisition									
Non-instructional Equipment									3,995.00
Total Facilities Acquisition									3,995.00
Total Expenditures	\$ 16,500	\$ 55,990	\$ 10,789	\$ 20,192	\$ 250	\$ 12,450	\$ 3,954	\$ 120,125	\$ 44,293.00
Excess (Deficiency of Revenues Over (Under) Expenditures					(218)	(1,164)		(1,382)	
Funde Balance, July 1									
Prior Period Adjustment					13,693	45,618		59,311	
Fund Balance, July 1 (Restated)					13,693	45,618		59,311	
Fund Balance, June 30	\$	\$	\$	\$	\$ 13,475	\$ 44,454	\$	\$ 57,929	\$

UPPER PITTSBORO 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	\$ 16,500	\$ 16,500	\$
Total Instruction	16,500	16,500	
Total Support Services			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	\$ 16,500	\$ 16,500	\$

CALCULATION OF BUDGET & CARRYOVER

Total 2020-21 Preschool Education Aid Allocation	\$ 16,500	(1)
Add: Actual ECPA Carryover (June 30, 2020)		(2)
Add: Budgeted Transfer from General Fund 2020-20		(3)
Total Preschool Education Aid Funds Available for 2020-21 Budget	16,500	(4)
Less: 2020-21 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(16,500)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021		(6)
Add: June 30, 2021 Unexpended Preschool Education Aid		(7)
Less: 2020-20 Commissioner-approved Transfer to the General Fund		(8)
2020-21 Carryover - Preschool Education Aid	\$	(9)
2020-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	\$	(10)

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.

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance 6/30/21</u>	<u>Memo Only</u>	
			<u>Prior Year</u>	<u>Current Year</u>		<u>Encumbrances</u>	<u>Available Balance</u>
2021-1	Various Capital Improvements Including Roof Restoration	\$ 3,543,000	\$	\$ 267,061	\$ 3,275,939	\$ 2,474,882	\$ 801,057
		<u>\$ 3,543,000</u>	<u>\$</u>	<u>\$ 267,061</u>	<u>\$ 3,275,939</u>	<u>\$ 2,474,882</u>	<u>\$ 801,057</u>

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenue and Other Financing Sources:

Bond Proceeds	\$	<u>3,543,000</u>
---------------	----	------------------

Expenditures and other Financing Uses:

Construction Services		<u>267,061</u>
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Total Expenditures		<u>267,061</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>3,275,939</u>
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Fund Balance - Beginning		<u>-</u>
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Fund Balance - Ending	\$	<u><u>3,275,939</u></u>
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UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

Various Capital Improvements Including

Roof Restoration

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$	\$ 3,543,000	\$ 3,543,000	\$ 3,543,000
Total Revenues		<u>3,543,000</u>	<u>3,543,000</u>	<u>3,543,000</u>
Expenditures and Other Financing Uses				
Construction Services		<u>2,741,943</u>	<u>2,741,943</u>	<u>3,543,000</u>
Total Expenditures		<u>2,741,943</u>	<u>2,741,943</u>	<u>3,543,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ <u>801,057</u>	\$ <u>801,057</u>	\$ <u>-</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

	FOOD SERVICE FUND		SCHOOL CARE		TOTAL	
					2021	2020
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$	21,371	\$	9,500	\$	30,871
Accounts Receivable					\$	5,171
State		754			754	293
Federal		5,700			5,700	4,885
Other						521
Interfund Receivable		16,016			16,016	
Inventories		1,438			1,438	3,231
Total Current Assets		45,279		9,500	54,779	14,101
Fixed Assets						
Equipment		142,294			142,294	142,294
Accumulated Depreciation		(132,732)			(132,732)	(131,244)
Total Fixed Assets		9,562			9,562	11,050
Total Assets	\$	54,841	\$	9,500	\$	64,341
					\$	25,151
LIABILITIES						
Current Liabilities						
Accounts Payable	\$		\$		\$	4,696
Interfund Payable			586		586	6,995
Unearned Revenue		3,195	430		3,625	4,840
Total Liabilities		3,195	1,016		4,211	16,531
NET POSITION						
Invested in Net Capital Assets		9,562			9,562	11,050
Unrestricted		42,084	8,484		50,568	(2,430)
Total Net Position		51,646	8,484		60,130	8,620
Total Liabilities and Net Position	\$	54,841	\$	9,500	\$	64,341
					\$	25,151

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	FOOD SERVICE FUND	SCHOOL CARE	TOTAL	
			2021	2020
OPERATING REVENUES				
Local Sources				
Daily Sales				
Reimbursable Programs	\$	\$	\$	\$ 36,753
Non-Reimbursable Programs				20,725
Special Functions				14,297
Program Fees		20,104	20,104	29,467
Total Operating Revenue		20,104	20,104	101,242
OPERATING EXPENSES				
Labor	642	11,241	11,883	24,705
Depreciation	1,488		1,488	1,488
Purchased Services (Including Fixed Price Contract)	101,038		101,038	95,631
Cost of Sales - Non Reimbursable Programs				15,143
Supplies and Materials		384	384	1,721
Professional Services	675		675	
Repairs and Maintenance	824		824	6,629
Utilities				1,620
Management Fee	11,000		11,000	11,000
Other				473
Total Operating Expenses	115,667	11,625	127,292	158,410
Operating Income (Loss)	(115,667)	8,479	(107,188)	(57,168)
NON-OPERATING REVENUES				
State Sources				
State School Lunch Program	3,826		3,826	1,078
Federal Sources				
National School Lunch Program	87,710		87,710	33,792
School Breakfast Program	55,370		55,370	9,708
Food Distribution Program	11,771		11,771	9,487
Interest	16	5	21	20
Total Non-Operating Revenues	158,693	5	158,698	54,085
Net Income (Loss) Before Operating Transfers	43,026	8,484	51,510	(3,083)
Net (Loss) Income	43,026	8,484	51,510	(3,083)
Net Position - July 1	8,620		8,620	31,083
Net Position - June 30	\$ 51,646	\$ 8,484	\$ 60,130	\$ 28,000

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2021 AND 2020

	FOOD SERVICE FUND	SCHOOL CARE	TOTAL	
			2021	2020
Cash Flows from Operating Activities				
Receipts from Customers	\$ -	\$ 20,104	\$ 20,104	\$ 65,640
Payments to Employees	(642)	(11,787)	(12,429)	(22,507)
Payments to Suppliers	(112,038)		(112,038)	(84,005)
Payments to Others	(16,480)	(384)	(16,864)	(6,761)
Net Cash Provided by (Used for) Operating Activities	(129,160)	7,933	(121,227)	(47,633)
Cash Flows from Non-Capital Financing Activities				
State Sources	3,826		3,826	1,067
Federal Sources	143,080		143,080	43,703
Transfer from General Fund				4,273
Net Cash Provided by (Used for) Non-Capital Financing Activities	146,906		146,906	49,043
Cash Flows from Capital Financing Activities				
Purchase of Fixed Assets				(4,320)
Net Cash Provided by (Used for) Capital Financing				(4,320)
Cash Flows from Investing Activities				
Interest and Dividends	16	5	21	15
Net Cash Provided by (Used for) Investing Activities	16	5	21	15
Net Increase (Decrease) in Cash and Cash Equivalents	17,762	7,938	25,700	(2,895)
Balances - Beginning of Year	3,609	1,562	5,171	8,066
Balances - End of Year	\$ 21,371	\$ 9,500	\$ 30,871	\$ 5,171
Operating Income (Loss)	\$ (115,667)	\$ 8,479	\$ (107,188)	\$ (64,605)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Food Distribution Program	11,771		11,771	6,979
Depreciation	1,488		1,488	960
Change in Assets and Liabilities				
(Increase) Decrease in Inventory	1,793		1,793	(1,703)
(Increase) Decrease in Accounts Receivable	(783)	28	(755)	(1,081)
(Increase) Decrease in Interfund Receivable	(16,016)		(16,016)	2,514
Increase (Decrease) in Unearned Revenue	(641)	(574)	(1,215)	2,706
Increase (Decrease) in Accounts Payable	(4,696)		(4,696)	(398)
Increase (Decrease) in Interfund Payable	(6,409)		(6,409)	6,995
Total Adjustments	(13,493)	(546)	(14,039)	16,972
Net Cash Used by Operating Activities	\$ (129,160)	\$ 7,933	\$ (121,227)	\$ (47,633)

LONG-TERM DEBT SCHEDULES

The Long-Term Debt 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.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Various Capital Improvements Including Roof Renovations	1/26/21	\$ 3,543,000	9/15/22	\$ 153,000	1.50%				
			9/15/23	150,000	1.50%				
			9/15/24-25	155,000	1.50%				
			9/15/26	160,000	1.50%				
			9/15/27	165,000	1.50%				
			9/15/28	170,000	1.50%				
			9/15/29	175,000	1.75%				
			9/15/30	180,000	1.75%				
			9/15/31	185,000	1.75%				
			9/15/32	190,000	1.75%				
			9/15/33	195,000	1.75%				
			9/15/34	200,000	1.75%				
			9/15/35	205,000	1.75%				
			9/15/36	210,000	1.75%				
			9/15/37	220,000	1.75%				
	9/15/38-40	225,000	1.875%						
						\$ -	\$ 3,543,000	\$ -	\$ 3,543,000

STATISTICAL SECTION

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 2,681,839	\$ 3,054,431	\$ 3,335,484	\$ 3,231,987	\$ 3,312,866	\$ 3,092,769	\$ 3,164,232	\$ 3,104,739	\$ 2,967,175	\$ (1,147,915)
Restricted	576,300	558,640	521,818	768,733	658,946	795,650	1,038,758	922,895	809,730	4,580,395
Unrestricted (Deficit)	(128,763)	(106,200)	(157,506)	(222,560)	(1,603,342)	(1,546,710)	(1,677,070)	(1,756,099)	(1,719,977)	(1,225,556)
Total Governmental Activities Net Position	<u>\$ 3,129,376</u>	<u>\$ 3,506,871</u>	<u>\$ 3,699,796</u>	<u>\$ 3,778,160</u>	<u>\$ 2,368,470</u>	<u>\$ 2,341,709</u>	<u>\$ 2,525,920</u>	<u>\$ 2,271,535</u>	<u>\$ 2,056,928</u>	<u>\$ 2,206,924</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 21,282	\$ 18,876	\$ 16,470	\$ 14,064	\$ 11,194	\$ 9,500	\$ 8,745	\$ 7,990	\$ 18,502	\$ 9,562
Restricted										
Unrestricted (Deficit)	29,351	43,283	52,591	56,729	64,809	79,136	96,452	23,093	9,498	50,568
Total Business-Type Activities Net Position	<u>\$ 50,633</u>	<u>\$ 62,159</u>	<u>\$ 69,061</u>	<u>\$ 70,793</u>	<u>\$ 76,003</u>	<u>\$ 88,636</u>	<u>\$ 105,197</u>	<u>\$ 31,083</u>	<u>\$ 28,000</u>	<u>\$ 60,130</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 2,703,121	\$ 3,073,307	\$ 3,351,954	\$ 3,246,051	\$ 3,324,060	\$ 3,102,269	\$ 3,172,977	\$ 3,112,729	\$ 2,985,677	\$ (1,138,353)
Restricted	576,300	558,640	521,818	768,733	658,946	795,350	1,038,758	922,895	809,730	4,580,395
Unrestricted (Deficit)	(99,412)	(62,917)	(104,915)	(165,831)	(1,538,533)	(1,467,574)	(1,580,618)	(1,733,006)	(1,710,479)	(1,174,988)
Total District-Wide Net Position	<u>\$ 3,180,009</u>	<u>\$ 3,569,030</u>	<u>\$ 3,768,857</u>	<u>\$ 3,848,953</u>	<u>\$ 2,444,473</u>	<u>\$ 2,430,045</u>	<u>\$ 2,631,117</u>	<u>\$ 2,302,618</u>	<u>\$ 2,084,928</u>	<u>\$ 2,267,054</u>

Source: CAFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 1,714,229	1,613,172	1,877,092	1,690,606	1,824,169	1,727,278	1,854,515	1,888,431	2,072,401	2,226,086
Special Education	377,818	411,831	417,478	410,947	436,865	428,787	433,709	569,880	431,234	249,633
Other Special Education	132,971	143,205	159,360	152,740	155,522	176,572	174,724	191,419	134,211	98,392
Support Services										
Tuition	2,084,793	1,996,070	2,078,585	2,056,917	2,088,860	2,488,476	2,311,740	2,481,660	2,460,115	1,943,862
Student and Instruction Related Services	548,251	487,681	353,810	529,147	518,863	532,332	672,099	671,434	756,423	535,643
General Administrative Services	194,566	180,532	180,090	179,550	165,174	216,215	197,640	150,684	174,172	185,627
School Administrative Services	161,760	161,643	171,161	148,177	158,146	156,081	118,310	120,001	128,114	136,815
Central Services and Administrative Info. Tech.	128,008	121,797	119,188	133,449	133,441	137,554	126,137	136,464	144,759	144,939
Plant Operations and Maintenance	375,098	397,715	444,658	560,265	450,654	434,024	446,653	447,736	417,974	468,389
Pupil Transportation	369,543	334,941	348,789	377,295	390,306	419,370	415,328	457,414	508,706	592,292
Unallocated Employee Benefits	1,119,872	1,126,101	1,258,022	1,388,656	1,454,366	2,014,832	2,303,563	3,202,470	2,518,441	2,696,747
Unallocated Depreciation Expense	229,904	234,465	237,739	271,531	259,430	245,703	234,178	230,885	272,461	208,711
Interest on Long-Term Debt	75,130	64,488	42,144	23,046	14,817	14,341	11,756	8,635	9,474	59,728
Amortization of Debt Issue Costs	2,667	2,666	2,667							
Total Governmental Activities Expenses	7,514,610	7,276,307	7,690,783	7,922,326	8,050,613	8,991,565	9,300,352	10,557,113	10,028,485	9,546,864
Business-Type Activities										
Food Service	122,974		89,050	150,999	135,311	131,097	119,239	138,654	131,984	115,667
School Care	33,165		47,466	38,839	42,006	46,044	40,650	33,127	26,426	11,625
Total Business-Type Activities Expense	156,139		136,516	189,838	177,317	177,141	159,889	171,781	158,410	127,292
Total District Expenses	\$ 7,670,749	7,276,307	7,827,299	8,112,164	8,227,930	9,168,706	9,460,241	10,728,894	10,186,895	9,674,156
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction (Tuition)										
Pupil Transportation										
Operating Grants and Contributions	\$ 606,172	566,557	609,289	673,978	657,949	692,932	835,596	1,027,960	1,099,643	1,475,355
Total Governmental Activities Program Revenues	606,172	566,557	609,289	673,978	657,949	692,932	835,596	1,027,960	1,099,643	1,475,355
Business-Type Activities										
Charges for Services										
Food Service	69,766	90,236	89,050	88,063	83,633	77,410	77,458	67,837	71,775	-
School Care	33,014	43,240	47,466	44,939	37,980	37,929	32,453	24,082	29,467	20,104
Operating Grants and Contributions	46,829	40,589	51,717	63,686	57,377	66,957	62,536	53,949	54,065	158,677
Total Business-Type Activities Program Revenues	149,609	174,065	188,233	196,688	178,990	182,296	172,447	145,868	155,307	178,781
Total District Program Revenues	\$ 755,781	740,622	797,522	870,666	836,939	875,228	1,008,043	1,173,828	1,254,950	1,654,136
Net (Expense)/Revenue										
Governmental Activities	\$ (6,908,438)	(6,709,750)	(7,081,494)	(7,248,348)	(7,392,664)	(8,298,633)	(8,464,756)	(9,529,153)	(8,928,842)	(8,071,509)
Business-Type Activities	(6,530)	174,065	51,717	6,850	1,673	5,155	12,558	(25,913)	(3,103)	51,489
Total District-Wide Net Expense	\$ (6,914,968)	(6,535,685)	(7,029,777)	(7,241,498)	(7,390,991)	(8,293,478)	(8,452,198)	(9,555,066)	(8,931,945)	(8,020,020)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net \$	3,477,394	3,547,690	3,547,690	3,547,690	3,776,190	3,965,591	4,043,102	4,207,026	4,218,366	4,464,529
Taxes Levied for Debt Service	301,906	335,168	330,656	324,813	67,800	70,353	71,600			
Unrestricted Grants and Contributions	3,423,393	3,171,541	3,436,320	3,456,959	3,448,467	4,045,238	4,143,422	4,890,707	4,224,270	3,924,240
Investment Earnings	2,255	3,090	2,930	3,075	4,094	4,339	4,704	5,035	5,395	11,709
Tuition and Transportation Revenue	96,258	73,129	102,179	75,907	82,716	98,099	109,044	95,689	190,128	12,283
Miscellaneous Income	31,151	41,695	48,714	36,606	91,761	59,942	59,597	103,392	76,076	80,491
Fixed Asset Adjustment	(9,621)	(5,756)						(27,081)		(649,523)
Transfers and Other Adjustments							6,226			(70,592)
Total Governmental Activities	7,322,736	7,166,557	7,468,489	7,445,050	7,471,028	8,243,562	8,437,695	9,274,768	8,714,235	7,773,137
Business-Type Activities										
Transfer and Other Adjustments	(4,512)	5,816	73	52	59	55	75	44	20	21
Investment Earnings	22									
Total Business-Type Activities	(4,490)	5,816	73	52	59	55	75	44	20	21
Total District-Wide	\$ 7,318,246	7,172,373	7,468,562	7,445,102	7,471,087	8,243,617	8,437,770	9,274,812	8,714,255	7,773,158
Change in Net Position										
Governmental Activities	\$ 414,298	456,807	386,995	196,702	78,364	(55,071)	(27,061)	(254,385)	(214,607)	(298,372)
Business-Type Activities	(11,020)	179,881	51,790	6,902	1,732	5,210	12,633	(25,869)	(3,083)	51,510
Total District-Wide	\$ 403,278	636,688	438,785	203,604	80,096	(49,861)	(14,428)	(280,254)	(217,690)	(246,862)

Source: CAFR Schedule A-2

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
General Fund										
Restricted	\$ 599,216	\$ 567,091	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve			28,603	28,828	29,053	79,278	259,503	89,728	154,953	505,403
Maintenance Reserve			100,000	200,000	200,000	300,000	300,000	300,225	300,250	394,429
Excess Surplus			164,137	170,920	173,713	174,948	74,307	78,466	76,061	140,427
Tuition Reserve			60,000	60,000	60,000	60,000	100,000	100,000	100,000	100,000
Committed to Encumbrances			39,677	140,086	9,686	2,986	77,868	38,459	1,192	24,639
Assigned:										
Capital Reserve							70,000	170,000		
Tuition Reserve							60,000	100,000	100,000	100,000
Excess surplus			165,076	164,137	170,920	173,713	174,948	74,307	78,466	113,126
Designated for Subsequent Year's Expenditures			4,002	5,165	6,796	6,075	5,469	36,367	40,986	56,955
Unrestricted (Deficit)	(30,514)	(49,996)	(58,910)	(78,684)	(74,790)	(90,741)	(61,010)	(51,385)	(9,436)	93,474
Total General Fund	\$ 568,702	\$ 517,095	\$ 502,585	\$ 690,452	\$ 575,378	\$ 706,259	\$ 1,061,085	\$ 936,167	\$ 842,472	\$ 1,650,509
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Projects Fund					9,228			10,169		
Unrestricted, Reported in:										
Special Revenue Fund (Deficit)	(1,650)		(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)
Debt Service Fund			47	1,247	1,200		72,800	72,800		
Total All Other Governmental Funds	\$ (1,650)	\$	\$ (1,603)	\$ (403)	\$ 8,778	\$ (1,650)	\$ 71,150	\$ 81,319	\$ (1,650)	\$ (1,650)

Source: CAFR Schedule B-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2020	2021
Revenues										
Tax Levy	\$ 3,882,858	\$ 3,878,346	\$ 3,872,503	\$ 3,843,990	\$ 4,035,944	\$ 4,114,702	\$ 4,135,902	\$ 4,207,026	\$ 4,218,366	\$ 4,464,529
Transportation	32,079	57,450	54,703	61,094	63,780	72,348	51,111	73,794	82,045	
Tuition Charges	41,050	44,729	21,204	21,622	34,319	36,696	24,322	21,895	108,083	12,283
Interest Earnings	3,090	2,930	3,075	4,094	4,339	4,704	4,959	5,035	5,395	11,709
Rental	32,448	33,096	33,758	51,600	52,632	57,446	52,632	53,685	53,685	55,854
Miscellaneous	9,247	15,618	2,848	40,161	7,310	2,151	5,191	49,707	22,391	28,623
State Sources	3,500,909	3,695,917	3,933,806	3,876,069	4,036,008	4,087,658	4,203,273	4,338,095	4,430,559	4,325,020
Federal Sources	237,189	349,692	197,131	230,347	201,702	240,105	221,270	242,696	222,578	280,120
Total Revenues	7,738,870	8,077,778	8,119,028	8,128,977	8,436,034	8,615,810	8,698,660	8,991,933	9,143,102	9,178,138
Expenditures										
Instruction										
Regular Instruction	1,613,172	1,877,092	1,690,606	1,824,169	1,727,278	1,854,515	1,875,979	1,888,431	2,072,401	2,226,086
Special Education Instruction	411,831	417,478	410,947	436,865	428,787	433,709	438,123	569,880	431,234	249,633
Other Instruction	143,205	159,360	152,740	155,522	176,572	174,724	168,420	191,419	134,211	98,392
Support Services										
Tuition	1,996,070	2,078,585	2,056,917	2,088,860	2,488,476	2,311,740	2,114,386	2,481,660	2,460,115	1,943,862
Student and Instruction Related Services	487,681	353,810	529,147	518,863	532,332	672,099	671,537	671,434	756,426	535,643
General Administrative Services	185,055	189,590	188,050	175,982	232,298	203,376	174,384	150,684	174,172	185,627
School Administrative Services	161,643	171,935	148,177	158,146	156,081	118,310	115,887	120,001	128,114	136,815
Central Services	121,797	119,188	124,949	122,633	121,471	120,401	117,853	118,964	125,759	129,939
Admin. Info. Technology								17,500	19,000	15,000
Plant Operations and Maintenance	397,715	444,658	560,265	450,654	434,024	446,653	347,864	447,736	417,974	468,389
Pupil Transportation	334,941	348,789	377,295	390,306	419,370	415,328	440,296	501,145	508,706	592,292
Unallocated Employee Benefits	1,129,930	1,247,963	1,369,357	1,444,553	1,484,315	1,555,479	1,684,683	1,783,612	1,947,286	2,078,181
Capital Outlay	92,574	164,034	98,728	301,381	270,523	122,449	121,622	164,216	144,371	597,753
Debt Service										
Principal	440,000	450,000	460,000	60,000	65,000	70,000				
Interest	65,812	46,903	26,313	6,600	5,400	2,800				
Total Expenditures	7,581,426	8,069,385	8,193,491	8,134,534	8,541,927	8,501,583	8,271,034	9,106,682	9,319,769	9,257,612
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	157,444	8,393	(74,463)	(5,557)	(105,893)	114,227	427,626	(114,749)	(176,664)	(79,474)
Other Financing Sources (Uses)										
Transfers	(5,756)									
Transfer to Charter School										(70,592)
Serial Bond and Capital Lease Proceeds				194,624						3,543,000
Adjustment to State Aid						6,226				
Total Other Financing Sources (Uses)	(5,756)			194,624		6,226				3,472,408
Net Change in Fund Balances	\$ 151,688	\$ 8,393	\$ (74,463)	\$ 189,067	\$ (105,893)	\$ 120,453	\$ 427,626	\$ (114,749)	\$ (176,664)	\$ 3,392,934
Debt Service as a Percentage of Noncapital Expenditures	6.7%	6.2%	5.9%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Transportation</u>	<u>Sale of</u> <u>Assets</u>	<u>Rentals</u>	<u>Prior</u> <u>Year</u> <u>Adjustments</u>	<u>Utility</u> <u>Company</u> <u>Rebate</u>	<u>Misc.</u>	<u>Total</u>
2021	\$ 11,709	\$ 12,283	\$ -	\$	\$ 55,854	\$	\$	\$ 13,351	\$ 93,197
2020	5,395	108,083	82,045		53,685			22,391	271,599
2018	5,035	21,895	73,794		53,685			49,707	204,116
2017	4,959	24,322	51,111		52,632			5,191	138,215
2016	4,704	36,696	72,348		57,446			2,151	173,345
2015	4,339	34,319	63,780		52,632			7,310	162,380
2014	4,094	21,622	61,094		51,600	898		39,263	178,571
2013	3,075	21,204	54,703		33,758			2,848	115,588
2012	2,930	44,729	57,450		33,096	5,159		10,459	153,823
2011	3,090	41,050	32,079		32,448	977		8,270	117,914

Source: District Records

UPPER PITTSBORO 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 Regular	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2021	\$ 5,752,300	\$ 208,405,000	\$ 87,009,800	\$ 10,772,200	\$ 28,159,900	\$ 1,493,100	\$ 341,592,300	\$	\$ 341,592,300	1.376	\$ 333,132,206
2020	7,355,801	209,859,400	84,055,380	11,019,900	23,588,900	1,480,000	337,359,381		337,359,381	1.297	315,495,540
2018	7,726,301	209,681,100	84,137,700	11,022,900	23,694,400	1,480,000	338,232,701		338,232,701	1.249	306,592,594
2017	7,735,201	210,800,800	83,397,000	11,025,300	23,794,400	1,480,000	338,232,701	869,843	339,102,544	1.241	316,341,845
2016	8,817,800	212,154,800	83,088,100	11,006,800	23,411,100	1,480,000	339,958,600	899,152	340,857,752	1.213	315,272,744
2015	8,898,400	213,983,700	82,275,100	10,961,500	23,411,100	1,480,000	341,009,800	915,624	341,925,424	1.204	304,697,278
2014	9,150,100	214,662,600	80,934,000	10,962,200	22,776,100	1,480,000	339,965,000	1,088,069	341,053,069	1.184	300,386,187
2013	9,270,100	214,371,400	80,722,000	10,947,700	23,024,800	1,480,000	339,816,000	1,226,464	341,042,464	1.128	306,252,213
2012	9,833,300	216,939,700	80,071,200	10,940,100	22,961,800	1,480,000	342,226,100	1,354,299	343,580,399	1.128	329,316,878
2011	9,974,400	218,658,600	78,941,600	10,913,400	21,761,000	1,480,000	341,729,000	1,437,138	343,166,138	1.129	363,172,724

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Estimate

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

Year Ended June 30,	Upper Pittsgrove Township Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	From J-6 Total Direct School Tax Rate	Upper Pittsgrove Township	Salem County	
2021	\$ 1.376	\$ 0.000	\$ 1.376	\$ 0.212	\$ 1.210	\$ 2.798
2020	1.297	0.000	1.297	0.201	1.134	2.632
2018	1.241	0.000	1.241	0.178	1.092	2.511
2017	1.241	0.000	1.241	0.173	1.015	2.429
2016	1.192	0.021	1.213	0.173	1.015	2.401
2015	1.183	0.021	1.204	0.169	0.891	2.264
2014	1.163	0.021	1.184	0.169	0.834	2.187
2013	1.033	0.095	1.128	0.147	0.873	2.148
2012	1.032	0.096	1.128	0.118	0.912	2.158
2011	1.032	0.097	1.129	0.099	0.872	2.100

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-budget year net budget by more than the spending growth limitation calculation.

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

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

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Third Garden Park Limited Partners	\$ 2,650,000	0.78%	\$ 1,650,000	0.48%
176 Harding LLC	2,089,600	0.61%		
Taxpayer #1	1,924,300	0.56%	2,000,000	0.58%
Larchmont Farms, Inc	1,904,000	0.56%	925,000	0.27%
Round About Equipment LLC	1,813,200	0.53%		
R M Sickler Sons Farm, LLC	1,533,600	0.45%		
NJ Bell Telephone	1,437,600	0.42%	1,809,844	0.52%
Taxpayer #2	1,203,300	0.35%	1,600,000	0.46%
Atlantic City Electric Co	1,199,200	0.35%	1,480,000	0.43%
Catanese Pole Tavern Assoc. LLC	1,199,200	0.35%		
Bell Atlantic- New Jersey, Inc			1,200,000	0.35%
Avis Garage Inc.			1,025,000	0.30%
Farm-Rite			1,000,000	0.29%
DWA LLC			875,000	0.25%
Total	\$ 16,954,000	4.96%	\$ 13,564,844	3.41%

Source: District CAFR & Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>% of Levy</u>	
2021	\$ 4,464,529	\$ 4,464,529	100%	\$
2020	4,218,366	4,218,366	100%	
2018	4,063,102	4,063,102	100%	
2017	4,063,102	4,063,102	100%	
2016	4,043,102	4,043,102	100%	
2015	3,965,591	3,965,591	100%	
2014	3,776,190	3,776,190	100%	
2013	3,872,503	3,872,503	100%	
2012	4,114,702	4,114,702	100%	
2011	3,882,858	3,882,858	100%	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2021	\$ 3,543,000	\$	\$	\$	\$ 3,543,000	2.12%	\$ 1,066
2020							
2018							
2017		60,427			60,427	0.04%	19
2016		127,190			127,190	0.08%	39
2015	70,000	210,912			280,912	0.18%	83
2014	135,000	291,532			426,532	0.29%	123
2013	195,000	161,187			356,187	0.25%	104
2012	655,000	60,427			715,427	0.50%	207
2011	1,105,000	301,542			1,406,542	0.97%	405

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

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property		Per Capita ^b
	General Obligation Bonds	Deductions				
2021	\$ 3,543,000	\$	\$ 3,543,000	1.06%	\$	1,066
2020						
2018						
2017						
2016						
2015	70,000		70,000	0.02%		20
2014	135,000		135,000	4.00%		39
2013	195,000		195,000	0.06%		57
2012	655,000		655,000	0.20%		189
2011	1,105,000		1,105,000	0.30%		318

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

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

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

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the

UPPER PITTSBORO 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</u> ^a	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Upper Pittsgrove Township	\$ -	100%	\$ -
Salem County	38,650,075	6.32%	2,442,010
Other debt			
Subtotal, Overlapping Debt			<u>2,442,010</u>
Upper Pittsgrove Township School District Direct Debt		b	<u>3,543,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 5,985,010</u></u>

Sources: Upper Pittsgrove Township Finance Officer, Salem County Finance Office

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

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

b Includes Capital Leases

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

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis
2020	\$ 331,361,734
2018	315,853,737
2017	307,037,673
	<u>[A] \$ 954,253,144</u>
Average Equalized Valuation of Taxable Property	[A/3] \$ 318,084,381
Debt Limit (3% of Average Equalization Value)	[B] 9,542,531 a
Net Bonded School Debt	[C] 3,543,000
Legal Debt Margin	<u>[B-C] \$ 5,999,531</u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 10,365,246	\$ 10,096,895	\$ 6,361,536	\$ 9,331,696	\$ 9,052,822	\$ 9,142,147	\$ 6,342,037	\$ 9,412,413	\$ 9,408,475	\$ 9,542,531
Total Net Debt Applicable to Limit	<u>1,105,000</u>	<u>655,000</u>	<u>195,000</u>	<u>135,000</u>	<u>70,000</u>					<u>3,543,000</u>
Legal Debt Margin	<u>\$ 9,260,246</u>	<u>\$ 9,441,895</u>	<u>\$ 6,166,536</u>	<u>\$ 9,196,696</u>	<u>\$ 8,982,822</u>	<u>\$ 9,142,147</u>	<u>\$ 6,342,037</u>	<u>\$ 9,412,413</u>	<u>\$ 9,408,475</u>	<u>\$ 5,999,531</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.7%	6.5%	3.1%	1.4%	0.8%	0.0%	0.0%	0.0%	0.0%	37.1%

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> <u>(thousands</u> <u>of dollars)</u> ^b	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ^c	<u>Unemployment</u> <u>Rate</u> ^d
2021	** 3,323	\$ 167,013,002	\$ 50,253	7.70%
2020	3,357	162,037,689	50,203	8.10%
2018	3,361	151,627,582	48,105	4.60%
2017	3,360	152,350,695	46,715	4.10%
2016	3,367	151,119,966	45,932	4.90%
2015	3,386	153,114,920	45,220	5.80%
2014	3,405	149,562,676	43,240	6.70%
2013	3,427	144,681,086	42,218	8.80%
2012	3,459	144,143,448	41,672	9.70%
2011	3,472	145,372,640	41,870	8.90%

** Estimate

Source:

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

^b Personal income

^c Per Capita

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

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

<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>
PSEG Nuclear	1,500	5.51%		
Mannington Mills	800	2.94%		
Memorial Hospital of Salem County	720	2.65%		
El duPont	685	2.52%		
McLane NJ	401	1.47%		NOT AVAILABLE
RE Pierson Construction	400	1.47%		
Inspira Health Network	400	1.47%		
Ardagh Group (Anchor Glass)	376	1.38%		
Larchmont Farms	275	1.01%		
Walmart	250	0.92%		
Salem County Community College	180	0.66%		
B & B Poultry Co., Inc.	175	0.64%		
Atlantis Rehabilitation	170	0.63%		
Southgate Healthcare Center	170	0.63%		
Home Care & Hospice Care of SJ	160	0.59%		
Ross Fogg Fuel Oil, Inc.	160	0.59%		
CFJ Properties	150	0.55%		
	<u>6,972</u>	<u>25.63%</u>		

Source: Salem County Economic Resource Guide

* Salem County

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	30.0	25.5	25.5	30	30	27	29	26	26	28.5
Special Education	6.0	13.0	12.0	6.0	5.0	6.0	5.0	6.5	6.5	2.2
Other Special Education	0.0									
Other Instruction						2.0	3.0	3.0	3.0	
Support Services:										
Tuition										
Student & Instruction Related Services	9.0	7.2	7.3	11	10	9.0	8.0	11.0	10.0	6.0
General Administrative Services	4.0	3.6	3.6	3.6	3.6	3.0	3.0	3.0	3.0	3.0
School Administrative Services	0.5	0.6	0.6	0.6	0.6	2.0	2.0	2.0	2.0	2.0
Business Administrative Services				3						
Plant Operations and Maintenance	3.0	3.0	3.0	8.5	8.5	3.0	3.0	3.5	4.5	4.5
Pupil Transportation	8.0	8.0	8.0			2.0	2.0	3.0	3.0	3.0
Food Service						7.0	0.0	0.0	0.0	0.0
Total	60.5	60.9	60.0	62.7	57.7	61.0	55.0	57.8	57.8	49.2

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2021	327	\$ 8,659,859	\$ 26,483	0.08	30.7	10.3 : 1	6.1 : 1	290.0	276.0	-11.043%	95.17%
2020	317	9,175,395	28,944	0.18	35.5	11.2 : 1	7.3 : 1	298.0	290.4	-8.589%	97.45%
2018	327	8,942,466	27,347	0.22	35.3	11.7 : 1	10.1 : 1	326.0	312.0	-3.920%	95.71%
2017	339	8,149,412	24,040	0.15	37.0	11.7:1	10.1:1	339.3	322.7	-4.153%	95.11%
2016	338	8,306,334	24,575	0.10	33.0	8.7:1	11:4:1	354.0	329.3	-0.924%	93.02%
2015	367	8,201,004	22,346	0.14	35.0	8.5:1	6.5:1	357.3	333.9	1.853%	93.45%
2014	373	7,766,553	20,822	0.06	36.0	8.6:1	6.5:1	350.8	335.4	-3.890%	95.61%
2013	388	7,608,450	19,609	0.00	37.5	9.5 : 1	7.5 : 1	365.0	354.2	10.539%	97.04%
2012	379	7,408,448	19,547	0.08	38.5	9.72 : 1	9.71 : 1	330.2	315.6	-12.738%	95.58%
2011	383	6,920,489	18,069	0.04	37	6.3 : 1	4 : 1	378.4	361.2	-3.247%	95.45%

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

Note: Enrollment based on annual October district count.

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	2,012	2,013	388	373	367	338	339	327	317	327

Number of Schools at June 30, 2021
Elementary = 1

Source: District records, ASSA

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Upper Pittsgrove Township School	64,828	\$ 60,754	\$ 46,823	\$ 58,524	\$ 61,834	\$ 55,093	\$ 48,103	\$ 37,282	\$ 43,219	\$ 42,917	\$ 24,775
Total School Facilities		<u>60,754</u>	<u>46,823</u>	<u>58,524</u>	<u>61,834</u>	<u>55,093</u>	<u>48,103</u>	<u>37,282</u>	<u>43,219</u>	<u>42,917</u>	<u>24,775</u>
Other Facilities											
Grand Total		<u>\$ 60,754</u>	<u>\$ 46,823</u>	<u>\$ 58,524</u>	<u>\$ 61,834</u>	<u>\$ 55,093</u>	<u>\$ 48,103</u>	<u>\$ 37,282</u>	<u>\$ 43,219</u>	<u>\$ 42,917</u>	<u>\$ 24,775</u>

**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

Company	Type of Coverage	Coverage	Deductible	
NJ School Board Assoc Insurance Group	Property Blanket Building & Contents	\$ 19,369,092	\$ 5,000	
	Electronic Data Processing			
	Hardware and Software	520,000	1,000	
	Computer Virus	250,000		
	Commercial General Liability			
	Products Completed Operations Aggregate Limit	6,000,000		
	Personal and Advertising Injury Limit	6,000,000		
	Bodily Injury & Property Damage	6,000,000		
	Sexual Abuse	6,000,000		
	Sexual Abuse - Annual NJSIG Aggregate	17,000,000		
	Employee Benefits Liability	6,000,000	1,000	
	Premises Medical Payments (per accident)	10,000		
		5,000	per person limit	
	Commercial Crime Section			
	Employee Dishonesty Coverage	100,000	1,000	
	Business Automobile/General Liability			
	Combined Single Limit	6,000,000	1,000	
	Board of Education Legal Liability			
	Aggregate for Each Annual Policy Year	6,000,000		
	Insured Retained Limit (each loss)	5,000		
	Workmen's' Compensation			
	Bodily Injury - Each Accident/Disease	3,000,000		
	Bodily Injury - Each Employee	3,000,000		
Maximum Coverage	3,000,000			
Ironshore Speciality Ins. Co.	Pollution Legal Liability Coverage			
	Each Pollution Event	1,000,000	50,000	
	Shared Program Limit	11,000,000	annual aggregate	
United States Fire Insurance Company Berkley Ins Co	Catastrophic Student Accident Policies			
	Accident Medical Expense - Max Benefit Amount	5,000,000	25,000	
	Catastrophic Cash Benefit - Max Benefit Amount	500,000		
	Basic Student Accident Policy	1,000,000		
Selective Insurance Co Ohio Casualty Ins. Co	Surety Bonds			
	Treasurer	172,000		
	Business Administrator	35,000		

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Upper Pittsgrove 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 Upper Pittsgrove 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 Board of Education of the Upper Pittsgrove Township School District's basic financial statements, and have issued our report thereon dated February 2, 2022.

Internal Control Over Financial Reporting

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2021-1.

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.

Upper Pittsgrove Township Board of Education's Response to Findings

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

Compliance and Other Matters

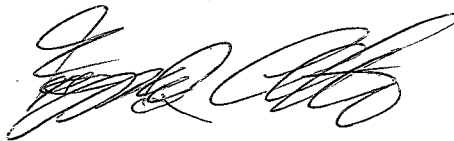
As part of obtaining reasonable assurance about whether the Upper Pittsgrove Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 2, 2022

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Upper Pittsgrove Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Upper Pittsgrove Township School District's major state programs for the fiscal year ended June 30, 2021. The Upper Pittsgrove Township Board of Education's major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Upper Pittsgrove Township Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey Treasury Circular OMB 15-08. Those standards and the State of *New Jersey Treasury Circular 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 state program occurred.

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2021-1.

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 deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs and reported to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance.***

Upper Pittsgrove Township Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Upper Pittsgrove Township Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Treasury Circular 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

February 2, 2022

**TOWNSHIP OF UPPER PITTSBORO SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover/ (Walkover) Amount	Cash Received	Budgetary	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2021		
					From	To	(Accounts Receivable)	Unearned Revenue			Pass Through Funds			(Accounts Receivable)	Unearned Revenue	Due to Grantor
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	ESEA532021	\$ 75,829	7/1/20	9/30/21				\$ 44,800	\$ (75,829)		\$ (75,829)	\$ (31,029)		
Title II, Part A	84.367A	S367A200029	ESEA532021	14,762	7/1/20	9/30/21				7,575	(14,762)		(14,762)	(7,187)		
Title IV	84.424	S424A200031	ESEA532021	10,000	7/1/20	9/30/21					(10,000)		(10,000)	(10,000)		
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA532021	96,015	7/1/20	9/30/21				47,386	(96,015)		(96,015)	(48,629)		
I.D.E.A. Part B, Pre-School	84.173	H173A200114	IDEA532021	3,583	7/1/20	9/30/21					(3,583)		(3,583)	(3,583)		
CARES ACT 2021/ESSER	84.425D	S425D200027	CARES0950-20	117,710	3/13/20	9/30/22	\$ (6,347)			21,489	(55,990)		(55,990)	(40,848)		
CRF Grant	21.019	N/A	21E00041	20,192						20,192	(20,192)		(20,192)			
Digital Divide	84.425D	S425D200027	N/A	10,789	7/16/20	10/31/20				10,789	(10,789)		(10,789)			
REAP	84.358A	S358A183108	REAP532021	34,852	7/1/19	9/30/20										
Total Special Revenue Fund							(6,347)			152,231	(287,160)		(287,160)	(141,276)		
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	N/A	11,086	7/1/20	6/30/21				11,086	(10,444)		(10,444)	\$ 642		
Food Distribution Program	10.565	Unknown	N/A	7,777	7/1/19	6/30/20		\$ 1,327			(1,327)		(1,327)			
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	211NJ304N1099	N/A	87,710	7/1/20	6/30/21				84,216	(87,710)		(87,710)	(3,494)		
National School Lunch Program	10.555	201NJ304N1099	N/A	31,441	7/1/19	6/30/20	(2,993)			2,993						
School Breakfast Program	10.553	211NJ304N1099	N/A	55,370	7/1/20	6/30/21				53,164	(55,370)		(55,370)	(2,206)		
School Breakfast Program	10.553	201NJ304N1099	N/A	12,262	7/1/19	6/30/20	(1,892)			1,892						
Total Enterprise Fund							(4,885)	1,327		153,351	(154,851)		(154,851)	(5,700)	642	
Total Federal Financial Awards							\$ (11,232)	\$ 1,327		\$ 305,582	\$ (442,011)		\$ (442,011)	\$ (146,976)	\$ 642	

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

TOWNSHIP OF UPPER PITTSBORO 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		Balance at June 30, 2020			Balances at June 30, 2021			MEMO			
					Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	21-495-034-5120-078	\$ 2,189,963	7/1/20	6/30/21										
Equalization Aid	20-495-034-5120-078	2,461,798	7/1/19	6/30/20	\$ (236,547)		\$ 1,977,337	\$ (2,189,963)		\$ (212,626)	\$	*	\$ 212,626	\$ 2,189,963
Special Education Categorical Aid	21-495-034-5120-089	300,139	7/1/20	6/30/21			236,547							
Special Education Categorical Aid	20-495-034-5120-089	300,139	7/1/19	6/30/20			270,998	(300,139)		(29,141)		*	29,141	300,139
Transportation Aid	21-495-034-5120-014	271,073	7/1/20	6/30/21	(28,840)		28,840							
Transportation Aid	20-495-034-5120-014	271,073	7/1/19	6/30/20			244,754	(271,073)		(26,319)		*	26,319	271,073
Security Aid	21-495-034-5120-084	55,469	7/1/20	6/30/21	(26,047)		26,047							
Security Aid	20-495-034-5120-084	55,469	7/1/19	6/30/20			50,083	(55,469)		(5,386)		*	5,386	55,469
School Choice	21-495-034-5120-068	221,075	7/1/20	6/30/21	(5,330)		5,330							
School Choice	20-495-034-5120-068	199,022	7/1/19	6/30/20			199,610	(221,075)		(21,465)		*	21,465	221,075
Nonpublic Transportation Aid	21-495-034-5120-014	6,090	7/1/20	6/30/21	(19,123)		19,123							
Extraordinary Aid	21-495-034-5120-044	81,712	7/1/20	6/30/21				(6,090)		(6,090)		*		6,090
Extraordinary Aid	20-495-034-5120-044	54,539	7/1/19	6/30/20				(81,712)		(81,712)		*		81,712
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	239,110	7/1/20	6/30/21	(54,539)		54,539							
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	239,110	7/1/19	6/30/20			238,400	(239,110)		(710)		*		239,110
On Behalf TPAF Pension Contribution	21-495-034-5094-002	702,511	7/1/20	6/30/21	(709)		709							
On Behalf TPAF Post Retire Med'l. Contrib.	21-495-034-5094-001	220,156	7/1/20	6/30/21			702,511	(702,511)				*		702,511
On Behalf TPAF LTDI (non-budgeted)	21-495-034-5094-004	272	7/1/20	6/30/21			220,156	(220,156)				*		220,156
							272	(272)				*		272
Total General Fund														
					(371,135)		4,275,256	(4,287,570)		(383,449)			294,937	4,287,570
Special Revenue Fund:														
Preschool Education Aid	21-495-034-5120-086	16,500	7/1/20	6/30/21										
Preschool Education Aid	20-495-034-5120-086	16,500	7/1/19	6/30/20			14,850	(16,500)		(1,650)		*	1,650	16,500
					(1,650)		1,650							
Total Special Revenue Fund														
					(1,650)		16,500	(16,500)		(1,650)			1,650	16,500
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	21-100-010-3350-023	3,826	7/1/20	6/30/21										
State School Lunch Program	20-100-010-3350-023	1,067	7/1/19	6/30/20			3,072	(3,826)		(754)		*		3,826
					(293)		293							
Total Enterprise Fund														
					(293)		3,365	(3,826)		(754)				3,826
Total State Financial Assistance														
					\$ (373,078)		\$ 4,295,121	\$ (4,307,896)		\$ (385,853)	\$	\$	\$ 296,587	\$ 4,307,896
Less: On-Behalf TPAF Pension System Contributions														
On Behalf TPAF Pension Contribution	21-495-034-5094-002	702,511	7/1/20	6/30/21										
On Behalf TPAF Post Retire Med'l. Contrib.	21-495-034-5094-001	220,156	7/1/20	6/30/21			\$ 702,511	\$ (702,511)						
On Behalf TPAF LTDI (non-budgeted)	21-495-034-5094-004	272	7/1/20	6/30/21			220,156	(220,156)						
							272	(272)						
Total State Financial Assistance - Major Program Determinations														
							\$ 3,372,182	\$ (3,384,957)						

See accompanying notes to schedules of financial assistance

UPPER PITTSBORO 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 Board of Education, Upper Pittsgrove 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 awards and 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 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$20,950 for the general fund and (\$7,040) for the special revenue fund. See Note 1 (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:

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2021

(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 4,308,520	\$ 4,308,520
Special Revenue Fund	280,120	16,500	296,620
Food Service Fund	<u>154,851</u>	<u>3,826</u>	<u>158,677</u>
Total Financial Assistance	\$ <u>434,971</u>	\$ <u>4,328,846</u>	\$ <u>4,763,817</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The District did not have any outstanding loans.

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, if any, 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: ADJUSTMENTS

There were no adjustments regarding the prior year state aid receivable.

UPPER PITTSBORO 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

2) Significant deficiencies identified? X yes _____ none reported

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

Federal Awards N/A

Internal control over major programs:

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

2) Significant deficiencies identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs: N/A

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

Identification of major programs:

CFDA Number(s) FAIN Number(s) Name of Federal Program or Cluster

N/A

Dollar threshold used to distinguish between type A and type B programs (section .518): N/A

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

**UPPER PITTSBORO 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? _____ yes X 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? X yes _____ 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 NJ OMB Circular Letter 15-08 as applicable X yes _____ no

Identification of major programs:

<u>State Grant/Project 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

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

Section II - Financial Statement Findings

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

Finding: 2021-1 (AMR 2021-1)

Criteria or specific requirement: Year-end payroll withholdings and deductions should be reported as a liability on the General Fund balance sheet and reconciled to the payroll agency bank account.

Condition: The payroll agency subsidiary ledger was not properly balanced nor reconciled to the bank account.

Context: The payroll agency subsidiary ledger, in many instances, did not reflect accurate liabilities due to the various agencies at year-end. In addition, the total ending balance of the subsidiary ledger was not in agreement with the June 30, 2021 payroll agency bank reconciliation.

Effect: Adjustments were submitted for approval as part of the audit.

Cause: Change in personnel.

Recommendation: Procedures to maintain and reconcile the payroll agency account should be reviewed and revised, in order to provide accurate balances that reconcile to the bank account.

Views of responsible officials and planned corrective actions: Officials are in agreement with the finding.

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

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

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

FEDERAL AWARDS - N/A

STATE AWARDS

Finding: 2021-1

Information on the state program:

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

Criteria or specific requirement: Year-end payroll withholdings and deductions should be reported as a liability on the General Fund balance sheet and reconciled to the payroll agency bank account.

Condition: The payroll agency subsidiary ledger was not properly balanced nor reconciled to the bank account.

Questioned Costs: None

Context: The payroll agency subsidiary ledger, in many instances, did not reflect accurate liabilities due to the various agencies at year-end. In addition, the total ending balance of the subsidiary ledger was not in agreement with the June 30, 2021 payroll agency bank reconciliation.

Effect: Adjustments were submitted for approval as part of the audit.

Cause: Change in personnel.

Recommendation: Procedures to maintain and reconcile the payroll agency account should be reviewed and revised, in order to provide accurate balances that reconcile to the bank account.

Views of responsible officials and planned corrective actions: Officials are in agreement with the finding.

**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS
PREPARED BY MANAGEMENT
FOR THE 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, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2020-1

Condition: The District's accounting system did not provide a year-end closeout report, listing open orders broken out by encumbrances or accounts payable, without extending an analysis to the subsequent year's orders rolled over.

Status: Resolved