

PITMAN BOROUGH SCHOOL DISTRICT

Pitman, New Jersey
County of Gloucester

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

PITMAN BOROUGH SCHOOL DISTRICT

PITMAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by

**Pitman Borough School District
Finance Department**

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INTRODUCTORY SECTION

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PITMAN PUBLIC SCHOOLS

*Steve Crispin, Interim Superintendent of Schools
Carisa Rose, MPA, School Business Administrator*

Central Office 420 Hudson Avenue, Pitman, NJ 08071
Main: 856-589-2145
pitman.k12.nj.us

February 8, 2023

Honorable President and
Members of the Board of Education
Pitman Public Schools
420 Hudson Avenue
Pitman, New Jersey 08071

Dear Board Members:

The annual comprehensive financial report of the Pitman Public School District for the fiscal year ended June 30, 2022, 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. 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, MD&A, and the basic financial statements; including the District-wide fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information generally presented this year on a multi-year basis. The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The Pitman Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Pitman Board of Education and all its schools constitute the District's reporting entity.

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The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for eligible students (Pre-K through 12). The District completed the 2021-2022 fiscal year with a total enrollment of

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED)

1136 students grades K-12, including 18 out-of-district handicapped student placements, and 242 special education students in District.

In the 2006-2007 school year, the District began providing child care (Panther Club) for students ages 4 through Grade 5 at each of the elementary schools, enrolling approximately 75 students. At the end of the 2021-22 school year, Panther Club had a total of approximately 154 students participating. The district also had 24 non-resident tuition paid students for the school year.

The increase in labor costs associated with the negotiated agreement with the Pitman Education Association was a major portion of the budget increase. The Pitman Education Association represents approximately 92% of the entire work force. Negotiations were completed in Spring 2021 on a four-year contract for the 2019-20 through 2022-23 school years. The BOE also reached an agreement in Spring 2021 with the Pitman Administrators Association on a new CBA (2020-21 through 2023-24).

Health insurance also continues to increase. The District had experienced cost increases ranging from 7% to 15% in previous years. Through negotiations, the Pitman Board of Education has been able to implement cost saving measures to offset the increases. These included increasing certain co-pays, as well as providing a payment of up to \$5,000 for individuals who wish to “sell back” their insurance plan. The District also joined a health benefit trust with thirty other districts in 2011-2012 to reduce premium increases. An alternate health insurance plan (higher co-pays and deductible options) is also now offered.

ENROLLMENT AS OF JUNE 30

	TOTAL STUDENT ENROLLMENT
FISCAL YEAR	
2012-2013	1,544
2013-2014	1,505
2014-2015	1,464
2015-2016	1,430
2016-2017	1,364
2017-2018	1,327

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2018-2019	1,292
2019-2020	1,236
2020-2021	1,140
2021-2022	1163

Note: The data reported above is the actual number of students on roll at the close of school as opposed to "average daily enrollment" which is listed in the statistical data section of this report.

2) ECONOMIC CONDITION AND OUTLOOK

In March 2011, the community experienced a major setback with the closing of the Sony DADC manufacturing plant, resulting in the loss of approximately 400 jobs. Sony DADC, which manufactured CD's and DVD's at the plant, is the largest property owner and taxpayer in the town.

The facility had been scaling back activity in recent years and had reached a tax settlement with the municipality that changed the property's assessed value and ratable status beginning in calendar year 2011. The change in ratable status had an impact on recent school budgets, resulting in an additional share of the tax increase being shifted to the remaining tax payers, primarily homeowners. The Sony property was purchased in early 2013 by a New York based company for approximately \$3 million, (deeply discounted from list price); the future use of the property is unknown at this time, but currently has some limited operation as a reduced-capacity warehouse.

State Aid

State aid public for the 2021-2022 school year was \$8,115,393 which is a decrease of \$879,123 from 2020-2021. The School District maintains no more than 4% fund balance as required for 2021 and 2022. The percentage of debt service aid was 43.43% of debt service revenues.

Special Education

Federal and State mandated services and regulations continue to increase to an ever-growing population of special needs students. Providing the necessary and required services for our special education population has been recognized by the Board and Administration. The District has provided Pre-School Handicapped Inclusion classes since 2007-2008 school year. In addition, the District is still experiencing an increase in special education students with severe needs and the need to provide the least restrictive environment for students. These two issues alone require additional resources which the cost of far exceeds the changes in aid.

Federal Funding

The District's ESEA, IDEA Basic, and IDEA Pre-School funding remained relatively flat for the 2020-2021 school year.



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3) MAJOR INITIATIVES

Student Achievements:

SAT Scores

	2022	2021	2022	2022
	PITMAN H.S. MEAN	PITMAN H.S. MEAN	NEW JERSEY MEAN	USA MEAN
SAT Reading/Writing Score	“N” too small; no data	544	615	601
SAT Math Score	“	524	629	616

PERCENTAGE OF GRADUATING STUDENTS:	2022	2021	2020	2019	2018	2017	2016	2015
Attending a four-year college program	*	*	*	44%	40%	41%	41%	50%
Attending a two-year college program	*	*	*	42%	54%	50%	46%	36%
Attending specialized training program	*	*	*	7%	3%	4%	3%	4%
Entering the workforce	*	*	*	4%	3%	3%	6%	6%
Entering the military	*	*	*	3%	0%	1%	4%	2.5%

*information was unavailable due to Covid-19

Graduating Student Statistics Pitman High School Advanced Placement

In 2022, a total of 16 students took 36 exams in 7 subject areas.

- 36% of exams scored 5
- 53% of exams scored 4 or higher
- 75% of exams scored 3 or higher

State Testing (Spring 2022)

NJSLA - 3

- 68% of all students passed the NJSLA - 3 Language Arts Assessment
- 589% of all students passed the NJSLA - 3 Mathematics Assessment

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Central Office 420 Hudson Avenue, Pitman, NJ 08071

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NJSLA - 4

- 70% of all students passed the Language Arts Assessment
- 56% of all students passed the Mathematics Assessment

NJSLA - 5

- 70% of all students passed the Language Arts Assessment
- 34% of all students passed the Mathematics Assessment

NJSLA - 6

- 32% of all students passed the Language Arts Assessment
- 18% of all students passed the Mathematics Assessment

NJSLA - 7

- 47% of all students passed the Language Arts Assessment
- 22% of all students passed the Mathematics Assessment

NJSLA - Grade 8

- 54% of all students passed the Language Arts Assessment
- 12% of all students passed the Mathematics Assessment

NJSLA - Grade 9

- 55% of all students passed the Language Arts Assessment

NJSLA - Mathematic Assessment

- 34% of all students passed Algebra I
- N/A (no students required to test) Algebra II
- 18% of all students passed Geometry

State Testing (Spring 2021)

Due to Covid-19 all NJSLA testing was suspended for this year.

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State Testing (Spring 2020)

Due to Covid-19 all NJSLA testing was suspended for this year.

State Testing (Spring 2019)

NJSLA - 3

- 60% of all students passed the NJSLA - 3 Language Arts Assessment
- 69% of all students passed the NJSLA - 3 Mathematics Assessment

NJSLA - 4

- 69% of all students passed the Language Arts Assessment
- 57% of all students passed the Mathematics Assessment

NJSLA - 5

- 72% of all students passed the Language Arts Assessment
- 50% of all students passed the Mathematics Assessment

NJSLA - 6

- 48% of all students passed the Language Arts Assessment
- 22% of all students passed the Mathematics Assessment

NJSLA - 7

- 47% of all students passed the Language Arts Assessment
- 31% of all students passed the Mathematics Assessment

NJSLA - Grade 8

- 54% of all students passed the Language Arts Assessment
- 26% of all students passed the Mathematics Assessment

NJSLA - Grade 9

- 55% of all students passed the Language Arts Assessment



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NJSLA - Grade 10

- 58% of all students passed the Language Arts Assessment

NJSLA - Grade 11

- 25% of all students passed the Language Arts Assessment

NJSLA - Mathematic Assessment

- 58% of all students passed Algebra I
- 17% of all students passed Algebra II
- 21% of all students passed Geometry

DISTRICT GOALS:

Strategic Planning Process

The District undertook a strategic planning process during 2016-2017 and the BOE adopted that plan in September 2017. District goals centered on three areas:

- Provide a superior comprehensive educational program
- Create/maintain safe and dynamic environments for teaching and learning
- Create a culture of engagement and support for the District's mission (finances, enrollment, communications, etc.)

The plan covers a five year period (2017-2022).

Grants

E-Rate - The District continues to file applications under the Universal Service Fund (E- Rate), providing a 50% rebate on phone services and internet access. The District received discounts on communication services and equipment, as well as internet access.

Facilities

The Administration continues to strive to maintain and upgrade the facilities in the District. The District continues to remain in compliance with code which requires 2/10ths of 1 percent of the cost of the facilities over a 10 year period to be budgeted towards required maintenance. All required paperwork has been filed with the state and the necessary budgetary procedures have been put into place. A facilities study was completed in June of 2021 to evaluate building systems, mechanics and overall sustainability to be used for budgeting and planning purposes.



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4) INTERNAL ACCOUNTING CONTROLS

The District's Business Administrator 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 is 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 the District's management team.

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

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

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, the Special Revenue Fund, and the Debt Service 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 canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30.

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 and account groups which are converted from Governmental fund balances to net position. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END

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.

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8) RISK MANAGEMENT

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

The District is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10. The Fund commenced operations on July 1, 1991, with sixteen member districts. Since then, the Fund had grown to a total of twenty-six members.

The ACCASBOJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures.

The Fund provides the following coverage:

- Property, including buildings, contents, inland marine, crime, boiler and machinery, and auto physical damage
- General Liability, including school board legal liability (also known as educator's legal liability)
- Automobile Liability
- Worker's Compensation
- Pollution
- Excess Liability Insurance

The Joint Insurance Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund. In 2001-2002 the three South Jersey JIF's formed a SPELL (School Pool for Excess Legal Liability). The SPELL is a vehicle by which the JIF's can control spiraling premium costs, increases in the SIR's (self-insured retention) and replace excess insurance coverage. At this time it appears as though forming the SPELL was fortuitous due to the September 11, 2001, tragedy and the impact this subsequently has had on the insurance community.

The Joint Insurance Fund's mission statement is as follows: "The ACCASBOJIF is committed to uniting local school districts in a joint effort to better manage their risks and assure fiscal stability by providing cost-effective, comprehensive insurance coverage and minimizing losses through pro-active membership involvement in claims management and loss prevention activities excess reinsurance."



PITMAN PUBLIC SCHOOLS

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9) OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holt McNally & Associates, Inc. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) CAPITAL IMPROVEMENT PLAN

The auditor's report in the basic financial statements, as well as the combining and individual fund statements and schedules, is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Funds were dedicated for projects during the 2021-2022 school year from the Maintenance Reserve.

11) ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Pitman 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.

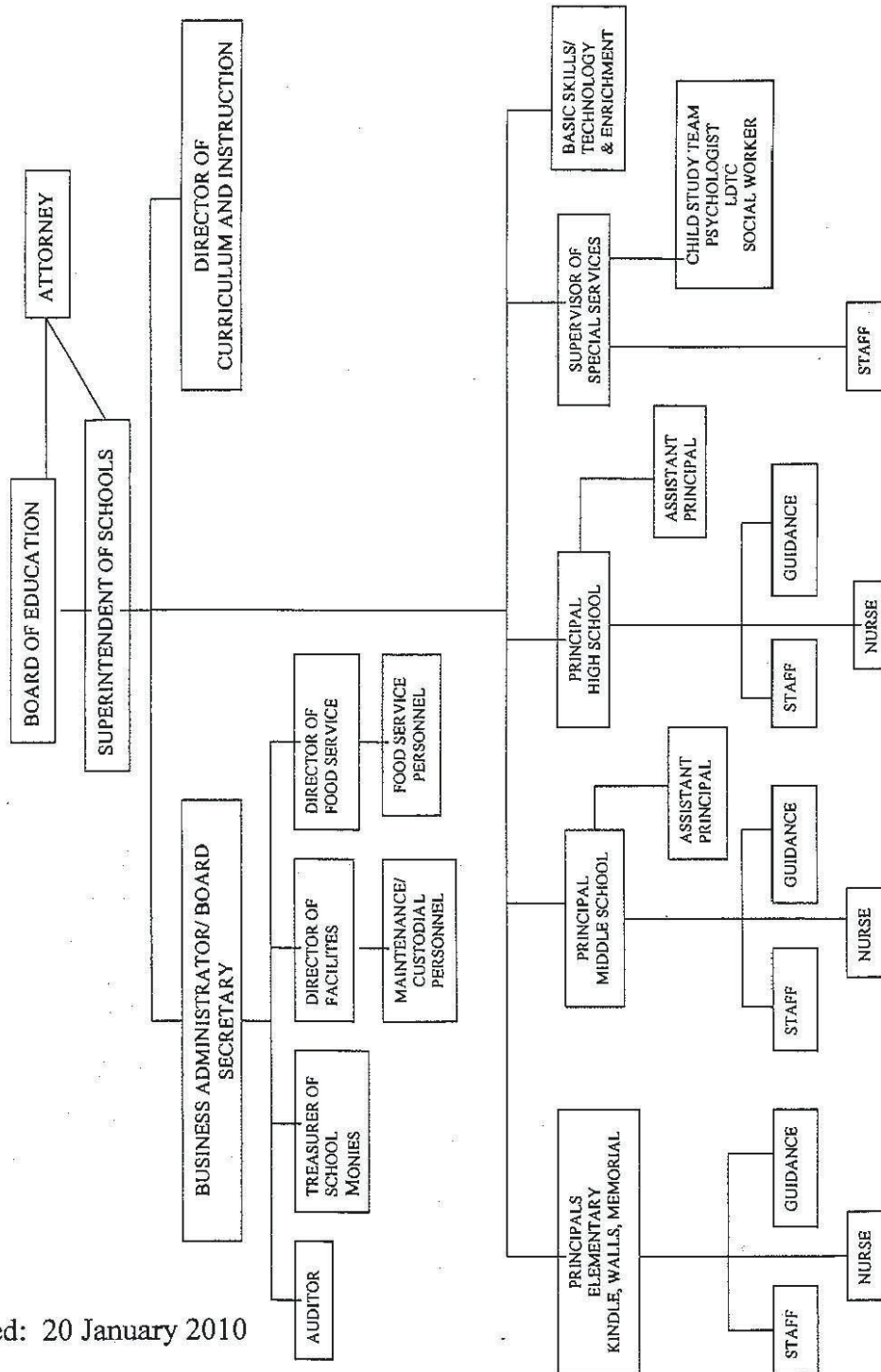
The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office employees. We also appreciate the guidance and advice of our treasurer.

Respectfully submitted,

Steven Crispin
Steven Crispin
Interim Superintendent of Schools

Carisa Rose
Carisa Rose
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 20 January 2010



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PITMAN BOROUGH SCHOOL DISTRICT

Pitman, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2022

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Robert Uychara, Jr., President	2022
Darlene Powell, Vice President	2023
David Grossman	2024
April Miller	2024
Stacey Pappalardo	2022
Rebecca Higbee-Ionno	2022
Dr. Ruth Wilson- Doherty	2022

OTHER OFFICIALS

- Patrick J. McAleer, Superintendent of Schools
- Carisa Rose, School Business Administrator/Board Secretary
- Dan Long - Solicitor

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PITMAN BOROUGH SCHOOL DISTRICT
Pitman, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Wade, Long, Wood & Long LLC
1250 Chews Landing Road, Suite 1
Laurel Springs, New Jersey 08021

OFFICIAL DEPOSITORY

Ocean First Bank
271 Lambs Road
Sewell, New Jersey

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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 Pitman Borough School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Pitman Borough School District, County of Gloucester, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Medford, New Jersey
February 8, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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PITMAN BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

This section of Pitman Public School District's annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2022. Comparative financial data is presented. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follow this section.

Overview of the Basic Financial Statements

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

- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.
- The *Governmental Funds 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 Funds statements* offer *short-term* and *long-term* financial information about activities the School District operates *like businesses, such as food service*.

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

PITMAN BOROUGH SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Figure A-1
Major Features of Government-wide and Fund Financial Statements
Fund Financial Statements

	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liability included	All assets and liabilities both financial and capital and short-term and long-term
Type of Inflow/ Outflow Information	All revenues and expenses during year regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and	All revenues and expenses during the year, regardless of when cash is received or paid

Figure A-1 above summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

PITMAN BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Government-wide Financial Statements

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

The two Government-wide statements report the School District's *net position* and how they have changed.

Net position - the difference between the School District's assets and liabilities - are one way to measure the School District's overall financial health or *position*.

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

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

- *Governmental Activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- *Business-type Activities*: The School District charges fees to help it cover the costs of certain services it provides. The School District's food service program and childcare programs would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The School District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts or completing approved capital projects) or to show that it is properly using certain revenues (such as federal and state grants).

The School District has four kinds of funds:

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

PITMAN BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Fund Financial Statements (Continued)

Proprietary Funds - Services for which the School District charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the Districtwide statements. *In fact, 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 flow.

- **Internal Service Funds** - (*the other kind of Proprietary Fund*) are utilized to report activities that provide supplies and services for other District programs and activities and for other Districts.

Notes to the Basic Financial Statements

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

Financial Analysis of the School District

Table 1 provides a summary of the School Districts net position for the fiscal years 2022 compared to fiscal year 2021.

Table 1
Summary of Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 7,295,153	\$ 5,851,631	\$ 1,443,522	24.7%
Capital Assets, Net	8,380,785	8,965,141	(584,356)	-6.5%
Total Assets	<u>15,675,938</u>	<u>14,816,772</u>	859,166	5.8%
Deferred Outflow of Resources	<u>674,547</u>	1,048,068	(373,521)	-35.6%
Current and other Liabilities	823,759	1,839,636	(1,015,877)	-55.2%
Noncurrent Liabilities	7,726,574	9,854,475	(2,127,901)	-21.6%
Total Liabilities	<u>8,550,333</u>	<u>11,694,111</u>	(3,143,778)	-26.9%
Deferred Inflow of Resources	<u>2,558,434</u>	2,524,683	33,751	1.3%
Net Position:				
Net Investment in Capital Asset	5,274,911	4,942,992	331,919	6.7%
Restricted	4,429,831	4,272,431	157,400	3.7%
Unrestricted (Deficit)	(4,463,024)	(7,569,377)	3,106,353	-41.0%
Total Net Position	<u>\$ 5,241,718</u>	<u>\$ 1,646,046</u>	<u>\$ 3,595,672</u>	218.4%

PITMAN BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Financial Analysis of the School District (continued)

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021.

Table 2
Summary of Changes in Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 265,144	\$ 146,452	\$ 118,692	81.0%
Operating Grants & Contributions	7,360,421	2,966,360	4,394,061	148.1%
General Revenues:				
Property Taxes	15,319,334	15,025,646	293,688	2.0%
Federal & State Aid	9,529,320	18,582,309	(9,052,989)	-48.7%
Other General Revenues	388,343	368,898	19,445	5.3%
Total Revenues	<u>32,862,562</u>	<u>37,089,665</u>	<u>(4,227,103)</u>	-11.4%
Function/Program Expenditures:				
Regular Instruction	7,051,272	7,444,779	(393,507)	-5.3%
Special Education Instruction	3,117,736	2,889,151	228,585	7.9%
Other Special Education	233,930	214,195	19,735	9.2%
Other Instruction	549,217	441,113	108,104	24.5%
Student & Instruction Related Services	3,979,359	4,082,311	(102,952)	-2.5%
General Administrative	471,588	531,411	(59,823)	-11.3%
School Administrative Services	1,240,049	1,237,982	2,067	0.2%
Central Services	304,818	307,003	(2,185)	-0.7%
Plant Operations & Maintenance	1,861,292	1,847,535	13,757	0.7%
Pupil Transportation	344,316	257,147	87,169	33.9%
Unallocated Benefits	8,495,868	13,674,163	(5,178,295)	-37.9%
Transfer to Charter Schools	81,587	-	81,587	100.0%
Interest & Other Charges	87,088	141,437	(54,349)	-38.4%
Unallocated Depreciation	608,654	542,051	66,603	12.3%
Food Service	667,012	722,825	(55,813)	-7.7%
Other Enterprise Funds	173,104	222,936	(49,832)	-22.4%
Total Expenditures	<u>29,266,890</u>	<u>34,556,039</u>	<u>(5,289,149)</u>	-15.3%
Change In Net Position	3,595,672	2,533,626	1,062,046	41.9%
Net Position - Beginning	1,646,046	(1,646,553)	3,292,599	-200.0%
Prior Period Adjustment	-	758,973	(758,973)	
Net Position - Beginning as Restated	<u>1,646,046</u>	<u>(887,580)</u>	<u>2,533,626</u>	
Net Position - Ending	<u>\$ 5,241,718</u>	<u>\$ 1,646,046</u>	<u>\$ 4,354,645</u>	264.6%

PITMAN BOROUGH SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2022, the net position of governmental activities increased by \$3,473,225. The primary reasons for the increase were increases in federal and state aid, operating grants and contributions as well as a decrease in net pension liability.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$4,398,607, with an unrestricted deficit balance of \$5,144,834. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (5,144,834)
Add back: PERS Pension Liability	3,654,874
Less: Deferred Outflows related to pensions	(521,508)
Add back: Deferred Inflows related to pensions	<u>2,558,434</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ 546,966</u></u>

Business-type Activities

During the fiscal year 2022, the net position of business-type activities increased by \$122,447 or 17%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$843,111.

General Fund Budgeting Highlights

Final budgeted revenues were 23,527,942, which was an increase of \$70,277 from the original budget. Excluding non-budgeted revenues, the School District’s budgeted revenues exceeded actual revenues by \$896,243.

Final budgeted appropriations were \$24,491,241, which was an increase of \$113,236 from the original budget. The increase is due to prior year reserve for encumbrances, which increases the budget appropriations in the subsequent fiscal year’s budget, as well as Lead Testing aid. Excluding nonbudgeted appropriations, the School District’s budget appropriations exceed actual expenditures by \$1,918,429.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$6,908,895 as of June 30, 2022, an increase of \$1,851,373 from the prior year.

PITMAN BOROUGH SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$6,235,496, an increase of \$1,888,757 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$1,909,310 or 45.2% to \$6,133,256 as of June 30, 2022, compared to an increase of \$1,486,936 in fund balance in the prior fiscal year.

Special revenue fund – There was a decrease in the fund balance for the special revenue fund of \$20,553 to \$102,240.

Debt service fund - There was no change in the fund balance for the debt service fund. as of June 30, 2022.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund increased by \$187,740 to \$691,606 as of June 30, 2022, compared to an increase of \$457,050 in fund balance in the prior fiscal year.

Before and After School fund - During the current fiscal year, the net position of the School District’s before and after school fund decreased by \$65,293 to \$151,505 as of June 30, 2022.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$8,965,141 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$200,207. This decrease is primarily due to the current year depreciation of capital assets exceed the pay down of debt or current year construction. Table 4 shows fiscal 2022 balances compared to 2021.

Table 4
Summary of Capital Assets

<u>Capital Assets (Net of Depreciation):</u>	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 101,593	\$ 101,593	\$ -	0.0%
Construction in Progress	855,817	855,817	-	0.0%
Land Improvements	25,731	31,556	(5,825)	-18.5%
Building and Improvements	6,738,185	7,233,618	(495,433)	-6.8%
Equipment	659,459	742,557	(83,098)	-11.2%
	<u>\$ 8,380,785</u>	<u>\$ 8,965,141</u>	<u>\$ (584,356)</u>	<u>-6.5%</u>

Depreciation expense for the year was \$617,733. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

PITMAN BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District's outstanding debt issues included \$2,645,000 of general obligation bonds, compensation absence liability of \$499,807, net pension liability of \$3,654,874, unamortized bond premiums of \$205,339 and \$408,574 of financed purchases payable.

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

Factors on the School District's Future

At the time these financial statements were prepared and audited, the Pitman Borough School District was aware of no existing circumstances that could significantly affect its financial health in the future.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Pitman Borough School District, 420 Hudson Avenue, Pitman, NJ 08071.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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PITMAN BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 939,585	\$ 525,441	\$ 1,465,026
Receivables, Net (Note 4)	1,318,458	164,787	1,483,245
Inventory	-	19,291	19,291
Restricted Assets:			
Restricted Cash & Cash Equivalents	4,327,591	-	4,327,591
Capital Assets:			
Non-Depreciable (Note 5)	705,595	-	705,595
Depreciable, Net (Note 5)	7,513,889	161,301	7,675,190
Total Assets	14,805,118	870,820	15,675,938
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	153,039	-	153,039
Deferred Outflows Related to Pensions (Note 8)	521,508	-	521,508
Total Deferred Outflow of Resources	674,547	-	674,547
Total Assets and Deferred Outflow of Resources	15,479,665	870,820	16,350,485
LIABILITIES			
Accounts Payable	330,496	25,381	355,877
Payroll Deductions and Withholdings Payable	16,103	-	16,103
Accrued Interest Payable	49,778	-	49,778
Due to Other Governments	396,134	-	396,134
Unearned Revenue	3,539	2,328	5,867
Noncurrent Liabilities (Note 7)			
Due Within One Year	917,980	-	917,980
Due Beyond One Year	6,808,594	-	6,808,594
Total Liabilities	8,522,624	27,709	8,550,333
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	2,558,434	-	2,558,434
Total Deferred Inflow of Resources	2,558,434	-	2,558,434
Total Liabilities and Deferred Inflow of Resources	11,081,058	27,709	11,108,767
NET POSITION			
Net Investment in Capital Assets	5,113,610	161,301	5,274,911
Restricted For:			
Capital Reserve	3,286,544	-	3,286,544
Maintenance Reserve	665,039	-	665,039
Unemployment Compensation	376,008	-	376,008
Scholarships	14,737	-	14,737
Student Activities	87,503	-	87,503
Unrestricted (Deficit)	(5,144,834)	681,810	(4,463,024)
Total Net Position	\$ 4,398,607	\$ 843,111	\$ 5,241,718

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

PITMAN BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Governmental Activities:							
Instruction:							
Regular	\$ 7,051,272	\$ -	\$ 541,208	\$ (6,510,064)	\$ -	\$ (6,510,064)	
Special Education	3,117,736	-	-	(3,117,736)	-	(3,117,736)	
Other Special Instruction	233,930	-	-	(233,930)	-	(233,930)	
Other Instruction	549,217	-	-	(549,217)	-	(549,217)	
Support Services & Undistributed Costs:							
Student & Instruction Related Services	3,979,359	142,352	228,524	(3,608,483)	-	(3,608,483)	
General Administrative Services	471,588	-	-	(471,588)	-	(471,588)	
School Administrative Services	1,240,049	-	-	(1,240,049)	-	(1,240,049)	
Central Services	304,818	-	-	(304,818)	-	(304,818)	
Plant Operations & Maintenance	1,861,292	-	-	(1,861,292)	-	(1,861,292)	
Pupil Transportation	344,316	-	-	(344,316)	-	(344,316)	
Unallocated Benefits	8,495,868	-	5,750,918	(2,744,950)	-	(2,744,950)	
Transfer to Charter Schools	81,587	-	-	(81,587)	-	(81,587)	
Interest and Other Charges	87,088	-	-	(87,088)	-	(87,088)	
Unallocated Depreciation	608,654	-	-	(608,654)	-	(608,654)	
Total Governmental Activities	28,426,774	142,352	6,520,650	(21,763,772)	-	(21,763,772)	
Business-Type Activities:							
Food Service	667,012	14,981	839,771	-	187,740	187,740	
Other Activities	173,104	107,811	-	-	(65,293)	(65,293)	
Total Business-Type Activities	840,116	122,792	839,771	-	122,447	122,447	
Total Primary Government	\$ 29,266,890	\$ 265,144	\$ 7,360,421	\$ (21,763,772)	\$ 122,447	\$ (21,641,325)	

PITMAN BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	14,892,296	-	14,892,296
Property Taxes Levied for Debt Service	427,038	-	427,038
Federal & State Aid Not Restricted	9,529,320	-	9,529,320
Tuition - From Individuals	177,991	-	177,991
Tuition - From Other LEAS	79,957	-	79,957
Miscellaneous Income	99,032	-	99,032
Interest on Investments	6,017	-	6,017
Other Restricted Miscellaneous Revenue	25,346	-	25,346
Total General Revenues & Transfers	25,236,997	-	25,236,997
Change In Net Position	3,473,225	122,447	3,595,672
Net Position - July 1	925,382	720,664	1,646,046
Net Position - Ending	\$ 4,398,607	\$ 843,111	\$ 5,241,718

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B. Fund Financial Statements

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Governmental Funds

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**PITMAN BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	General Fund	Special Revenue Fund	TOTALS
Assets:			
Cash & Cash Equivalents	\$ 821,140	\$ 118,445	\$ 939,585
Due From Other Funds	167,281	-	167,281
Intergovernmental Accounts Receivable:			
Federal	6,173	273,501	279,674
State	1,016,786	-	1,016,786
Other Accounts Receivable	21,998	-	21,998
Restricted Cash & Cash Equivalents	4,327,591	-	4,327,591
Total Assets	\$ 6,360,969	\$ 391,946	\$ 6,752,915
Liabilities & Fund Balances:			
Liabilities:			
Accounts Payable	208,310	122,186	330,496
Interfund Payable	-	167,281	167,281
Payroll Deductions and Withholdings Payable	16,103	-	16,103
Unearned Revenue	3,300	239	3,539
Total Liabilities	227,713	289,706	517,419
Fund Balances:			
Restricted for:			
Capital Reserve Account	3,286,544	-	3,286,544
Maintenance Reserve Account	665,039	-	665,039
Unemployment Compensation	376,008	-	376,008
Scholarships	-	14,737	14,737
Student Activities	-	87,503	87,503
Assigned to:			
Other Purposes	9,202	-	9,202
Designated by the BOE for Subsequent Year's Expenditures	940,445	-	940,445
Unassigned:			
General Fund	856,018	-	856,018
Total Fund Balances	6,133,256	102,240	6,235,496
Total Liabilities & Fund Balances Balances	\$ 6,360,969	\$ 391,946	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,784,868 and the accumulated depreciation is \$15,565,384.	8,219,484
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	521,508
Deferred Inflows related to pensions	(2,558,434)
Deferred Outflow related to the loss on bond refunding of debt	153,039
Accrued pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(396,134)
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(49,778)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 7)	(7,726,574)
Net Position of Governmental Activities	\$ 4,398,607

**PITMAN BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Debt Service Fund	Totals
Revenues:				
Local Sources:				
Local Tax Levy	\$ 14,892,296	\$ -	\$ 427,038	\$ 15,319,334
Tuition - From Individuals	177,991	-	-	177,991
Tuition - From Other LEAS	79,957	-	-	79,957
Miscellaneous	99,032	151,216	-	250,248
Interest on Investments	6,017	-	-	6,017
Other Restricted Miscellaneous Revenues	25,346	-	-	25,346
Total Revenues - Local Sources	15,280,639	151,216	427,038	15,858,893
State Sources	15,248,260	29,850	327,837	15,605,947
Federal Sources	51,172	731,018	-	782,190
Total Revenues	30,580,071	912,084	754,875	32,247,030
Expenditures:				
Current:				
Regular Instruction	7,051,272	-	-	7,051,272
Special Education Instruction	2,576,528	541,208	-	3,117,736
Other Special Instruction	233,930	-	-	233,930
Other Instruction	549,217	-	-	549,217
Support services & undistributed costs:				
Student & instruction related services	3,587,930	391,429	-	3,979,359
General administrative services	471,588	-	-	471,588
School administrative services	1,240,049	-	-	1,240,049
Central services	304,818	-	-	304,818
Plant operations and maintenance	1,856,999	-	-	1,856,999
Pupil transportation	344,316	-	-	344,316
Employee benefits	10,169,524	-	-	10,169,524
Capital Outlay	200,790	-	-	200,790
Transfer of Funds to Charter Schools	81,587	-	-	81,587
Principal	-	-	645,000	645,000
Interest	2,213	-	109,875	112,088
Total Expenditures	28,670,761	932,637	754,875	30,358,273
Net Change in Fund Balance	1,909,310	(20,553)	-	1,888,757
Fund Balances July 1	4,223,946	122,793	-	4,346,739
Fund Balances June 30	\$ 6,133,256	\$ 102,240	\$ -	\$ 6,235,496

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

**PITMAN BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	1,888,757
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:</p>		
Depreciation Expense	\$ (608,654)	
Capital Outlays	<u>-</u>	(608,654)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		645,000
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
Amortization of Premium on Bonds	51,335	
Amortization of Loss on Bond Refunding	<u>(38,260)</u>	13,075
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		1,026,136
<p>OPEB expenditures in the Statement of Activates differs from the amounts reported in the Governmental Funds because OPEB is recorded based on the contributions made, and thus requires the use of current financial resources. In the Statement of Activities, however, OPEB is recognized based on the annual required contribution.</p>		
		182,410
<p>Repayment of lease purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		196,497
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
Prior year	61,703	
Current Year	<u>(49,778)</u>	11,925
<p>Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		<u>118,079</u>
Change in Net Position of Governmental Activities	\$	<u><u>3,473,225</u></u>

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Proprietary Funds

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**PITMAN BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Food Service Fund	Before/After School	Total
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 373,936	\$ 151,505	\$ 525,441
Due from Other Governments	164,054	-	164,054
Other Receivable	733	-	733
Inventories	19,291	-	19,291
Total Current Assets	558,014	151,505	709,519
Capital Assets:			
Equipment	349,736	-	349,736
Less: Accumulated Depreciation	(188,435)	-	(188,435)
Total Capital Assets	161,301	-	161,301
Total Assets	719,315	151,505	870,820
LIABILITIES			
Unearned Revenue	2,328	-	2,328
Accounts Payable	25,381	-	25,381
Total Liabilities	27,709	-	27,709
NET POSITION			
Net Investment in Capital Assets	161,301	-	161,301
Unrestricted	530,305	151,505	681,810
Total Net Position	\$ 691,606	\$ 151,505	\$ 843,111

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

**PITMAN BOROUGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Food Service Fund	Before/After School	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Nonreimbursable Programs	\$ 12,475	\$ -	\$ 12,475
Special Functions	2,506	-	2,506
Tuition	-	107,811	107,811
Total Operating Revenues	14,981	107,811	122,792
Operating Expenses:			
Salaries	227,772	156,235	384,007
Employee Benefits	24,084	11,952	36,036
Purchased professional/technical services	12,404	-	12,404
Other purchased services (400-500 series)	4,227	4,090	8,317
Supplies and Materials	46,663	403	47,066
Management Fee	25,250	-	25,250
Miscellaneous other expenses	7,069	424	7,493
Cost of Sales - Reimbursable	304,629	-	304,629
Cost of Sales - Non Reimbursable	5,834	-	5,834
Depreciation Expense	9,080	-	9,080
Total Operating Expenses	667,012	173,104	840,116
Operating Income/(Loss)	(652,031)	(65,293)	(717,324)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,896	-	15,896
Federal Sources:			
National School Lunch Program	511,539	-	511,539
School Breakfast	242,663	-	242,663
COVID-19 National School Lunch Program	28,144	-	28,144
COVID-19 P-EBT Administration	1,242	-	1,242
Food Distribution Program	40,287	-	40,287
Total Nonoperating Revenues/(Expenses)	839,771	-	839,771
Change in Net Position	187,740	(65,293)	122,447
Total Net Position - Beginning	503,866	216,798	720,664
Total Net Position - Ending	\$ 691,606	\$ 151,505	\$ 843,111

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

**PITMAN BOROUGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Food Service Fund	Before/After School	Totals
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 16,643	\$ 105,273	\$ 121,916
Payments to Employees	(227,772)	-	(227,772)
Payment for Employee Benefits	(24,084)	-	(24,084)
Payments to Suppliers	(544,788)	(176,355)	(721,143)
Net Cash Provided/(Used) by Operating Activities	(780,001)	(71,082)	(851,083)
Cash Flows From Noncapital Financing Activities:			
State Sources	15,119	-	15,119
Federal Sources	708,273	-	708,273
Net Cash Provided/(Used) by Noncapital Financing Activities	723,392	-	723,392
Cash Flows From Investing Activities:			
Capital Purchases	(33,377)	-	(33,377)
Net Cash Provided/(Used) by Investing Activities	(33,377)	-	(33,377)
Net Increase/(Decrease) in Cash & Cash Equivalents	(89,986)	(71,082)	(161,068)
Balances - Beginning of Year	463,922	222,587	686,509
Balances - End of Year	<u>\$ 373,936</u>	<u>\$ 151,505</u>	<u>\$ 525,441</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (652,031)	\$ (65,293)	\$ (717,324)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	40,287	-	40,287
Depreciation & Net Amortization	9,080	-	9,080
(Increase)/Decrease in Accounts Receivable	284	-	284
(Increase)/Decrease in Inventories	(7,136)	-	(7,136)
Increase/(Decrease) in Accounts Payable	(171,863)	(3,251)	(175,114)
Increase/Decrease in Deferred Revenue	1,378	(2,538)	(1,160)
Total Adjustments	(127,970)	(5,789)	(133,759)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (780,001)</u>	<u>\$ (71,082)</u>	<u>\$ (851,083)</u>

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

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PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies

The financial statements of the Pitman School District (the ‘School District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through twelve at its five schools.

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

Component Units

GASB Statement No.14. The Financial Reporting Entity provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2022.

Government-Wide Financial Statements

The School District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the School District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund, Summer Camps, Little Pioneers, School Store and Internal Service Fund are

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The School District does not maintain any internal service funds.

The School District reports the following major governmental funds:

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

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

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

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

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

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

The School District reports the following major proprietary funds:

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Before/After School Program – This fund accounts for the revenues and expenses pertaining to the School District’s before/after school program.

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

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations, and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2022 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore, those balances are reported on the Statement of Net Position.

Capital Assets

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

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

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead, expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2022.
- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. The adoption of this pronouncement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District’s bank balance of \$6,073,723 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	5,540,134
Uninsured and Uncollateralized		533,589
	\$	6,073,723

Investments

The School District has no investments as of June 30, 2022.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the School District by inclusion of \$100,000 on October 10, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	2,429,896
Increased by:		
Interest Earnings		43
Deposits approved by Board		1,059,608
Return of Unspent Funds		43,312
		3,532,859
Decreased by:		
Budget Withdrawals		(246,315)
Ending Balance, June 30, 2022	\$	3,286,544

The June 30, 2022, balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve Account

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

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 3. Reserve Accounts (continued):

B. Maintenance Reserve (continued):

Beginning Balance, July 1, 2021	\$	794,637
Increased by:		
Return of Unspent Funds		9,427
		804,064
Decreased by:		
Budget Withdrawals		(139,025)
		665,039
Ending Balance, June 30, 2022	\$	665,039

Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ 6,173	\$ 273,501	\$ 279,674	\$ 159,597	\$ 159,597
State Awards	1,016,786	-	1,016,786	4,457	4,457
Other	21,998	-	21,998	733	733
Total	\$ 1,044,957	\$ 273,501	\$ 1,318,458	\$ 164,787	\$ 164,787

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 5. Capital Assets (continued):

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 101,593	\$ -	\$ -	\$ 101,593
Construction in Progress (not in service)	855,817	-	-	855,817
Total Capital Assets not being depreciated	<u>957,410</u>	<u>-</u>	<u>-</u>	<u>957,410</u>
Capital Assets being depreciated:				
Land Improvements	925,211	-	-	925,211
Buildings and Improvements	19,631,722	-	-	19,631,722
Equipment	2,270,525	-	-	2,270,525
Total Capital Assets being depreciated	<u>22,827,458</u>	<u>-</u>	<u>-</u>	<u>22,827,458</u>
Less: Accumulated Depreciation:				
Land Improvements	(893,655)	(5,825)		(899,480)
Buildings and Improvements	(12,398,104)	(495,433)		(12,893,537)
Equipment	(1,664,971)	(107,396)		(1,772,367)
Total Accumulated Depreciation	<u>(14,956,730)</u>	<u>(608,654)</u>	<u>-</u>	<u>(15,565,384)</u>
Total Capital Assets being depreciated, net	<u>7,870,728</u>	<u>(608,654)</u>	<u>-</u>	<u>7,262,074</u>
Total Governmental Activities Capital Assets, net	<u>\$ 8,828,138</u>	<u>\$ (608,654)</u>	<u>\$ -</u>	<u>\$ 8,219,484</u>
	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Business-Type Activities:				
Equipment	\$ 316,359	\$ 33,377	\$ -	\$ 349,736
Total Capital Assets being depreciated	<u>316,359</u>	<u>33,377</u>	<u>-</u>	<u>349,736</u>
Less: Accumulated Depreciation:				
Equipment	(179,356)	(9,079)	-	(188,435)
Total Capital Assets being depreciated, net	<u>(179,356)</u>	<u>(9,079)</u>	<u>-</u>	<u>(188,435)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 137,003</u>	<u>\$ 24,298</u>	<u>\$ -</u>	<u>\$ 161,301</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 167,281	
Special Revenue Fund		167,281
	<u>\$ 167,281</u>	<u>\$ 167,281</u>

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,290,000	\$ -	\$ 645,000	\$ 2,645,000	\$ 665,000
Financed Purchases	605,071		196,497	408,574	201,645
Unamortized Bond Premiums	256,674	-	51,335	205,339	51,335
Compensated Absences	617,886	-	118,079	499,807	
Other Post-Employment Benefits	495,390		182,410	312,980	
Net Pension Liability	5,084,844		1,429,970	3,654,874	
	<u>\$ 10,349,865</u>	<u>\$ -</u>	<u>\$ 2,623,291</u>	<u>\$ 7,726,574</u>	<u>\$ 917,980</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Payable

On June 2, 2006, the District issued \$5,860,000 in Refunding Bonds with a net interest cost of 1.919923% to advance refund; \$1,280,000 of outstanding 2005 Refunding School Bonds with an average interest rate of 2.86%; \$3,594,000 of outstanding 2006 school bonds with an average interest rate of 3.59%; \$1,005,000 of outstanding 2009 school bonds with an interest rate of 3.77%. The net proceeds of \$6,264,787, including a premium on the bonds of \$517,626 and net of payments of \$32,230 in underwriting fees and \$80,609 of issuance costs, were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for part of future debt service payments when due. Payable in annual installments through August 1, 2025. Interest is paid semi-annually at varying rates ranging from 3% to 4% per annum.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 665,000	\$ 86,900	\$ 751,900
2024	700,000	59,600	759,600
2025	720,000	31,200	751,200
2026	560,000	8,400	568,400
	<u>\$ 2,645,000</u>	<u>\$ 186,100</u>	<u>\$ 2,831,100</u>

B. Financed Purchases Payable

Principal and Interest due on the outstanding lease purchases are as follows:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 7. Long-Term Obligations (continued):

B. Financed Purchases Payable (continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 201,645	\$ 10,705	\$ 212,350
2024	206,929	5,422	212,351
	\$ 408,574	\$ 16,127	\$ 424,701

C. Bonds Authorized But Not Issued:

As of June 30, 2022, the School District had no authorized but not issued bonds.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources – As of June 30, 2022, the School District reported a liability of \$3,654,874 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was 0.03085%, which was a decrease of 0.0003% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension expense of \$(664,826) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2021, measurement date. As of June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 57,642	\$ 26,165
Changes of Assumptions	19,035	1,301,159
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	962,790
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	48,697	268,320
School District Contributions Subsequent to Measurement Date	396,134	-
	\$ 521,508	\$ 2,558,434

\$396,134 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2022	\$ (947,960)
2023	(676,841)
2024	(461,490)
2025	(346,904)
2026	135
	\$ (2,433,060)

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% as of June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	<u>3.00%</u>	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 5,030,254</u>	<u>\$ 3,654,874</u>	<u>\$ 2,559,694</u>

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.030852%	0.031181%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021, was \$52,900,560. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. As of June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.11004%, which was a decrease of 0.00446% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$1,244,773 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2021, measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

Inflation	
Price	2.75%
;	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% as of June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	62,590,199	52,900,560	44,761,872
	<u>\$ 62,590,199</u>	<u>\$ 52,900,560</u>	<u>\$ 44,761,872</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.11004%	0.11450%

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2022, employee contributions totaled \$18,292, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$9,977.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 60,007,650,970

Inflation Rate: 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	2.75 - 5.65% based on years of service	3.00 - 7.00% based on years of service	Not Applicable

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020, 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.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the School District as of June 30, 2021 was \$85,139,059. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the School District was based on projection of the State's long-term contributions to the OPEB plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.14188%, which was a decrease of 0.00173% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$3,649,173 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2021 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2021, 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, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 101,983,227.12	\$ 85,139,059	\$ 71,875,288
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

9. Other Post-Retirement Benefits (continued):

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, 2021, 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, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 68,920,345	\$ 85,139,059	\$ 106,919,593
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	10,179,536,966	6,438,261,807
	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783

** Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

9. Other Post-Retirement Benefits (continued):

Fiscal Year Ending June 30,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

Plan Membership

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability	
Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Post-Employment Healthcare Plan for Former Administrators

Plan Description - Borough of Pitman School District, New Jersey Postemployment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by AmeriHealth. Current retirees receive medical and prescription drug coverage from an AmeriHealth Traditional Plan. One retiree receives medical, prescription drug, and limited dental coverage under a Horizon Medicare Blue Plan. Current retirees and current surviving spouses receive coverage for life. No current active employees are eligible for post-retirement healthcare benefits.

Funding Policy - Retirees contribute \$25 per month towards their healthcare premiums, which cover medical, prescription drug, and vision benefits. The rest of the premiums are paid by the Board. The individual contribution requirements of the healthcare plan were established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2022 the School District contributed \$66,206 to the plan for current premiums.

As of June 30, 2022, there were 5 retirees receiving post-retirement healthcare benefits under this plan.

Actuarial Assumptions and Methods - The actuarial assumptions used to value the postretirement medical liabilities can be categorized into three groups:

- Economic Assumptions – the discount rate and health care cost trend rates.
- Benefit assumptions – the initial per capita cost rates for medical and prescription drug coverage.
- Demographic assumptions – including the probabilities of retiring, dying, terminating (without a benefit), becoming disabled, recovery from disability, election (participating rates) and coverage levels.

Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Economic Assumptions - The two primary economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

GASB 75 Discount Rate - The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the “20-Bond GO Index” to establish a discount rate of 3.35% as of the valuation date.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Post-Employment Healthcare Plan for Former Administrators (Continued)

Health Care Cost Trend Rates -Plan premium rates are assumed to increase at 6.0% per annum for AmeriHealth and 4.5% per annum for Horizon.

Benefit Assumptions - The valuation projects the cost to the Board of providing medical benefits to a closed group of retirees.

Monthly Per Capita Claims Cost -

Period	AmeriHealth Traditional	Horizon Medicare Blue
July 1, 2021-June 30, 2022	\$1,082.06	\$262.63
July 1, 2022-June 30, 2023	\$1,125.34	\$262.63

Future premium rates are assumed to increase with trend.

Demographic Assumptions

Mortality

U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Female Mortality Projected with Scale MP-2021.

Retirement Rates – N/A

Withdrawal – N/A

Participation Rates N/A

Spousal/Dependent Coverage - None

Expenses

No administrative expenses above those included in the above per capita claim’s costs are assumed in the valuation.

Decrement Timing

All decrements and benefit payments are assumed to occur at the middle of the year.

Changes Since Prior Valuation

We revised the discount rate from 2.15% to 3.35% to reflect the current interest rate environment. The mortality assumption projection scale was updated from MP-2020 to PUB (G)-2010 table with scale MP-2021 to reflect the latest projections mortality tables and projection scales published by the Society of Actuaries.

Methods

GASB 75 Actuarial Cost Method

The actuarial cost method used to determine the plan’s cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future service costs.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Post-Employment Healthcare Plan for Former Administrators (Continued)

Asset Valuation Method

The plan is currently unfunded.

	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB liability at beginning of year	\$ 495,390	\$ 403,750
Interest Costs	9,939	8,030
Benefit Payments	(66,206)	(77,543)
Actuarial assumption changes	(23,684)	(7,176)
Actuarial demographic (gain) or loss	(102,459)	168,329
Plan amendments	-	-
Total OPEB liability at end of year	<u>\$ 312,980</u>	<u>\$ 495,390</u>

Changes in plan fiduciary net position during the year

	<u>6/30/2022</u>	<u>6/30/2021</u>
Employer contributions	\$ 66,206	\$ 77,543
Benefit payments	(66,206)	(77,543)
Projects investment returns over the year	-	-
Plan asset gain or (loss)	-	-
Administrative expenses	-	-
Fair value of plan assets at end of year	-	-
Total OPEB liability at end of year	<u>\$ 312,980</u>	<u>\$ 495,390</u>

Net OPEB liability at end of year calculated using a discount rate that is		
1-Percentage-point higher	299,274	\$ 472,238
1-Percentage-point lower	327,767	520,566
Net OPEB liability at end of year calculated using a healthcare cost trend rate that is:		
1-Percentage-point higher	325,924	\$ 517,301
1-Percentage-point lower	300,694	474,738
OPEB Expense	\$ (116,204)	\$ 169,183

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$4,248,383, \$856,052, \$992,594, and \$920, respectively.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 11. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 36,212	\$ 358	\$ 11,224	\$ 376,008
2020-2021	24,360	764	10,269	350,662
2019-2020	23,555	1,318	20,064	335,807

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Pitman School District that would have a material or adverse effect on the Board or the financial position of the School District.

Note 13. Economic Dependency

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 14. Deferred Compensation

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

Lincoln Investment Planning, Inc. Met Life	Metlife Universal-Travelers Voya Financial
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Note 15. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2022 is \$499,807.

Note 16. Tax Abatements

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund, 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 as of June 30, 2022 was \$0.

Note 18. Fund Balance

General Fund – Of the \$6,133,256 General Fund, Fund balance as of June 30, 2022, \$3,286,544 has been reserved in the Capital Reserve Account; \$665,039 has been reserved in the Maintenance Reserve Account; \$376,008 has been restricted for unemployment compensation; \$0 is restricted for current year excess surplus; \$0 is restricted for excess surplus – designated for subsequent year's expenditures; \$9,202 has been assigned for other purposes; \$940,445 has been assigned as designated for subsequent years expenditures; and \$856,018 is unassigned.

Special Revenue Fund – Of the \$102,240 Special Revenue Fund, Fund balance as of June 30, 2022, \$87,503 is restricted for student activities and \$14,737 is restricted for scholarships.

Capital Projects Fund – \$0 Capital Projects Fund, Fund balance as of June 30, 2022,

Debt Service Fund - \$0 Debt Service Fund, fund balance as of June 30, 2022.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$(5,144,834) as of June 30, 2022. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 8, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

ACCOUNT NUMBER	JUNE 30, 2022				POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 14,892,296.00	\$ -	\$ 14,892,296	\$ 14,892,296	\$ -
Tuition - From Individuals	10-1310	80,000	-	80,000	177,991	97,991
Tuition - From Other LEAS	10-1320	-	-	-	79,957	79,957
Miscellaneous	10-1990	150,500	-	150,500	98,989	(51,511)
Interest Earned on Investments	10-1510	9,500	-	9,500	6,017	(3,483)
Interest Earned on Capital Reserve	10-1xxx	312	-	312	43	(269)
Interest Earned on Maintenance reserve	10-1xxx	170	-	170	-	(170)
Other Restricted Miscellaneous Revenues	10-1xxx	-	-	-	25,346	25,346
Total Local Sources		15,132,778	-	15,132,778	15,280,639	147,861
State Sources:						
Categorical Special Education Aid	10-3132	925,239	-	925,239	925,239	-
Equalization Aid	10-3176	6,899,347	-	6,899,347	6,899,347	-
Security Aid	10-3177	142,285	-	142,285	142,285	-
Maintenance of Equity	10-3192	-	-	-	685,125	685,125
Categorical Transportation Aid	10-3121	148,522	-	148,522	148,522	-
Extraordinary Aid	10-3131	175,000	-	175,000	218,620	43,620
Securing Our Children's Future Bond Act	10-3256	-	70,277	70,277	70,277	-
Lead Testing for Schools Aid	10-3300	-	-	-	2,959	2,959
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	992,594	992,594
On-Behalf TPAF Pension Contributions		-	-	-	4,248,383	4,248,383
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	920	920
Reimbursed TPAF Social Security Contributions		-	-	-	856,052	856,052
Total State Sources		8,290,393	70,277	8,360,670	15,190,323	6,829,653
Federal Sources:						
Medicare Reimbursement	10-4200	34,494	-	34,494	51,172	16,678
Total Federal Sources		34,494	-	34,494	51,172	16,678
Total Revenues		23,457,665	70,277	23,527,942	30,522,134	6,994,192
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	42,968	(42,968)	-	-	-
Kindergarten	11-110-100-101	420,702	1,678	422,380	368,580	53,800
Grades 1 - 5	11-120-100-101	2,554,016	(192,193)	2,361,823	2,303,322	58,501
Grades 6 - 8	11-130-100-101	1,673,894	185,775	1,859,669	1,740,252	119,417
Grades 9-12	11-140-100-101	2,225,055	(20,960)	2,204,095	2,116,959	87,136
Home Instruction:						
Salaries of Teachers	11-150-100-101	5,850	6,208	12,058	10,576	1,482
Purchased Professional - Educational Services	11-150-100-320	10,000	9,066	19,066	16,159	2,907
Regular Programs - Undistributed Instruction:						
Purchased Technical Services	11-190-100-340	240,967	-	240,967	216,400	24,567
Other Purchased Services	11-190-100-500	144,070	(58,978)	85,092	47,893	37,199
General Supplies	11-190-100-610	272,029	(30,617)	241,412	202,866	38,546
Textbooks	11-190-100-640	28,383	3,715	32,098	28,265	3,833
Other Objects	11-190-100-800	2,800	-	2,800	-	2,800
Total Regular Programs		7,620,734	(139,274)	7,481,460	7,051,272	430,188

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Education:						
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	428,922	(56,765)	372,157	364,931	7,226
Other Salaries for Instruction	11-212-100-106	41,415	102,744	144,159	134,585	9,574
General Supplies	11-212-100-610	9,590	(3,693)	5,897	2,839	3,058
Other Objects	11-212-100-890	6,000	-	6,000	-	6,000
Total Multiple Disabilities:		485,927	42,286	528,213	502,355	25,858
Resource Room:						
Salaries of Teachers	11-213-100-101	1,444,448	178,250	1,622,698	1,529,646	93,052
Other Salaries for Instruction	11-213-100-106	320,836	(56,388)	264,448	233,107	31,341
Purchased Technical Services	11-213-100-340	4,000	(905)	3,095	-	3,095
General Supplies	11-213-000-610	4,150	-	4,150	2,394	1,756
Textbooks	11-213-100-640	1,487	-	1,487	969	518
Total Resource Room		1,774,921	120,957	1,895,878	1,766,116	129,762
Preschool Handicapped - Part-Time:						
Salaries of Teachers	11-215-100-101	75,869	47,444	123,313	123,313	-
Other Salaries for Instruction	11-215-100-106	40,911	8,839	49,750	48,837	913
General Supplies	11-215-100-600	1,100	386	1,486	1,486	-
Total Preschool Handicapped -Part-Time		117,880	56,669	174,549	173,636	913
Home Instruction:						
Salaries of Teachers	11-219-100-101	-	50,546	50,546	44,421	6,125
Purchased Professional Educational Services	11-219-100-320	15,000	(15,000)	-	-	-
Other Objects	11-219-100-890	-	90,000	90,000	90,000	-
Total Home Instruction		15,000	125,546	140,546	134,421	6,125
Total Special Education		2,393,728	345,458	2,739,186	2,576,528	162,658
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	201,298	39,320	240,618	230,057	10,561
General Supplies	11-230-100-610	3,067	-	3,067	1,320	1,747
Textbooks	11-230-100-640	2,325	-	2,325	2,175	150
Total Basic Skills/Remedial		206,690	39,320	246,010	233,552	12,458
Bilingual						
General Supplies	11-240-100-610	200	-	200	-	200
Textbooks	11-240-100-640	500	-	500	378	122
Total Bilingual		700	-	700	378	322

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	119,500	8,446	127,946	98,414	29,532
Purchase Professional Services	11-401-100-330	1,000	-	1,000	-	1,000
Purchased Services	11-401-100-500	20,540	(1,877)	18,663	16,260	2,403
Supplies and Materials	11-401-100-600	2,700	-	2,700	2,110	590
Other Objects	11-401-100-800	4,325	125	4,450	2,998	1,452
Total School Sponsored Cocurricular Activities		148,065	6,694	154,759	119,782	34,977
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	333,426	1,021	334,447	324,762	9,685
Purchased Services	11-402-100-500	67,674	(7,590)	60,084	56,106	3,978
Supplies and Materials	11-402-100-600	32,942	-	32,942	31,330	1,612
Other Objects	11-402-100-800	19,784	-	19,784	17,237	2,547
Total School Sponsored Athletics - Instruction		453,826	(6,569)	447,257	429,435	17,822
Total - Instruction		10,823,743	245,629	11,069,372	10,410,947	658,425
Undistributed Expenditures:						
Tuition						
Tuition to LEA's within state regular	11-000-100-561	10,000	-	10,000	1,531	8,469
Tuition county vocational school regular	11-000-100-563	152,820	21,649	174,469	169,431	5,038
Tuition to CSSD & Regular Day Schools	11-000-100-565	529,650	(173,580)	356,070	134,151	221,919
Tuition to Private School for Handicapped - State	11-000-100-566	356,465	88,119	444,584	439,364	5,220
Total Tuition		1,048,935	(63,812)	985,123	744,477	240,646
Health Services:						
Salaries	11-000-213-100	398,747	8,129	406,876	403,181	3,695
Purchased Professional & Technical Services	11-000-213-300	14,800	(4,178)	10,622	10,622	-
Supplies and Materials	11-000-213-600	5,660	(1,622)	4,038	3,382	656
Total Health Services		419,207	2,329	421,536	417,185	4,351
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	229,295	-	229,295	226,484	2,811
Purchased Professional/Educational Services	11-000-216-320	46,100	(12,875)	33,225	33,143	82
Purchased Technical Services	11-000-216-340	1,000	-	1,000	-	1,000
Supplies and Materials	11-000-216-600	4,120	(1,175)	2,945	1,626	1,319
Total Other Support Services - Students - Related Services		280,515	(14,050)	266,465	261,253	5,212

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Extraordinary Services:						
Other Salaries for Instruction	11-000-217-106	62,926	(28,496)	34,430	34,405	25
Other Salaries	11-000-217-110	57,250	(22,525)	34,725	34,475	250
Purchased Professional/Educational Services	11-000-217-320	198,260	2,400	200,660	157,365	43,295
Total Other Support Services - Extraordinary Services		318,436	(48,621)	269,815	226,245	43,570
Other Support Services - Guidance:						
Salaries Other Professional Staff	11-000-218-104	767,219	(81,226)	685,993	685,993	-
Salaries Secretaries & Clerical	11-000-218-105	58,130	(938)	57,192	57,192	-
Other Professional/Technical Services	11-000-218-390	13,480	428	13,908	13,908	-
Other Purchased Services	11-000-218-500	1,900	(1,900)	-	-	-
Supplies and Materials	11-000-218-600	5,105	(1,345)	3,760	3,745	15
Miscellaneous Expenditures	11-000-216-890	1,450	(429)	1,021	1,008	13
Total Other Support Services - Students - Special Services		847,284	(85,410)	761,874	761,846	28
Other Support Services - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	451,596	14,599	466,195	440,649	25,546
Salaries Secretaries & Clerical	11-000-219-105	104,431	348	104,779	104,779	-
Other Professional/Technical Services	11-000-219-390	44,628	(10,000)	34,628	29,081	5,547
Other Purchased Services	11-000-219-500	1,500	-	1,500	918	582
Supplies and Materials	11-000-219-600	3,636	(37)	3,599	2,257	1,342
Total Other Support Services - Child Study Team		605,791	4,910	610,701	577,684	33,017
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	119,805	3,967	123,772	123,772	-
Salaries Other Instruction	11-000-221-104	46,570	(1,140)	45,430	44,023	1,407
Salaries Secretaries & Clerical	11-000-221-105	83,050	-	83,050	82,790	260
Other Professional/Technical Services	11-000-221-390	17,000	-	17,000	16,987	13
Supplies and Materials	11-000-221-600	1,714	-	1,714	206	1,508
Miscellaneous Expenditures	11-000-221-890	3,300	-	3,300	2,309	991
Total Improvement of Instruction Services/Other Support Services Instructional Staff		271,439	2,827	274,266	270,087	4,179
Educational Media Services/School Library:						
Salaries	11-000-222-100	116,024	594	116,618	104,396	12,222
Salaries of Technology Coordinators	11-000-222-177	210,373	3,522	213,895	181,376	32,519
Other Purchased Services	11-000-222-500	500	-	500	-	500
Supplies and Materials	11-000-222-600	16,774	(452)	16,322	9,091	7,231
Miscellaneous Expenditures	11-000-222-890	300	-	300	300	-
Total Educational Media Services/School Library		343,971	3,664	347,635	295,163	52,472
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	26,256	-	26,256	19,148	7,108
Purchased Professional/Educational Services	11-000-223-320	13,000	-	13,000	11,555	1,445
Other Purchased Services	11-000-223-500	11,835	-	11,835	3,287	8,548
Total Instructional Staff Training Services		51,091	-	51,091	33,990	17,101

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration:						
Salaries	11-000-230-100	234,890	6,542	241,432	241,432	-
Legal Services	11-000-230-331	23,210	13,712	36,922	36,922	-
Audit fees	11-000-230-332	22,000	750	22,750	22,750	-
Other Purchased Professional Services	11-000-230-339	32,450	(12,822)	19,628	16,735	2,893
Purchased Technical Services	11-000-230-340	20,572	(2,175)	18,397	15,571	2,826
Communications/Telephone	11-000-230-530	51,874	(790)	51,084	48,879	2,205
BOE Other Purchased Services	11-000-230-585	2,000	1,310	3,310	3,148	162
Other Purchased Services	11-000-230-590	61,000	(2,150)	58,850	58,160	690
Supplies and Materials	11-000-230-610	7,000	2,155	9,155	9,122	33
Miscellaneous Expenditures	11-000-230-890	7,850	(55)	7,795	7,794	1
BOE Membership Dues	11-000-230-895	11,455	(100)	11,355	11,075	280
Total Support Services General Administration		474,301	6,377	480,678	471,588	9,090
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	817,087	51,917	869,004	869,003	1
Salaries of Secretarial & Clerical Assistants	11-000-240-105	357,191	(9,600)	347,591	341,013	6,578
Purchased Professional Educational Services	11-000-240-300	1,000	-	1,000	-	1,000
Purchased Technical Services	11-000-240-340	6,000	(1,968)	4,032	2,937	1,095
Other Purchased Services	11-000-240-500	6,350	(2,000)	4,350	2,308	2,042
General Supplies	11-000-240-600	22,233	138	22,371	15,688	6,683
Other Objects	11-000-240-800	16,800	1,800	18,600	9,100	9,500
Total Support Services School Administration		1,226,661	40,287	1,266,948	1,240,049	26,899
Central Services:						
Salaries	11-000-251-100	276,934	2,148	279,082	266,140	12,942
Purchased Technical Services	11-000-251-340	22,596	-	22,596	21,888	708
Other Purchased Services	11-000-251-592	5,000	(3,050)	1,950	1,793	157
General Supplies	11-000-251-600	6,000	(2,423)	3,577	2,806	771
Interest Lease Purchase	11-000-251-832	9,822	(238)	9,584	5,422	4,162
Miscellaneous Expenditures	11-000-251-890	3,490	4,313	7,803	6,769	1,034
Total Central Services		323,842	750	324,592	304,818	19,774
Maintenance for School Facilities:						
Lead Testing of Drinking Water	11-000-261-421	5,000	-	5,000	2,959	2,041
Cleaning, Repair & Maintenance	11-000-261-420	134,025	(1,087)	132,938	126,639	6,299
Total Maintenance for School Facilities		139,025	(1,087)	137,938	129,598	8,340
Custodial Services:						
Salaries	11-000-262-100	1,050,455	(17,983)	1,032,472	969,078	63,394
Purchased Professional/Technical Services	11-000-262-300	5,000	-	5,000	3,350	1,650
Cleaning, Repair & Maintenance Services	11-000-262-420	40,500	(3,000)	37,500	29,646	7,854
Insurance	11-000-262-520	130,421	-	130,421	129,104	1,317
Miscellaneous Purchased Services	11-000-262-590	2,000	(1,502)	498	30	468
General Supplies	11-000-262-610	91,000	(14,762)	76,238	44,088	32,150
Energy (Natural Gas)	11-000-262-621	125,000	83,475	208,475	169,311	39,164
Energy (Heat & Electricity)	11-000-262-622	225,000	26,000	251,000	213,727	37,273
Other Objects	11-000-262-800	4,017	-	4,017	3,345	672
Total Custodial Services		1,673,393	72,228	1,745,621	1,561,679	183,942
Care & Upkeep of Grounds:						
General Supplies	11-000-263-610	15,100	7,000	22,100	20,750	1,350
Total Care & Upkeep of Grounds		15,100	7,000	22,100	20,750	1,350

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			POSITIVE (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Security:						
Purchased Professional/Technucal Services	11-000-266-300	74,000	22,208	96,208	85,662	10,546
General Supplies	11-000-266-610	25,000	51,069	76,069	59,310	16,759
Total Security		99,000	73,277	172,277	144,972	27,305
Total Other Operating & Maintenance of Plant Services		1,926,518	151,418	2,077,936	1,856,999	220,937
Student Transportation Services:						
Salaries Non-Instructional Aides	11-000-270-107	52,671	-	52,671	3,758	48,913
Cleaning, Repair & Maintenance Services	11-000-270-420	5,000	(1,630)	3,370	1,986	1,384
Contract Svc Regular Vendors	11-000-270-511	5,000	17,284	22,284	20,662	1,622
Contract Svc Other Vendors	11-000-270-512	117,960	(30,000)	87,960	51,501	36,459
Contract Svc (btw home & sch) - joint agreements	11-000-270-513	9,000	-	9,000	-	9,000
Contract Svc Special Vendors	11-000-270-514	100,000	32,655	132,655	132,655	-
Contract Svc Special joint agreements	11-000-270-515	220,000	(48,093)	171,907	131,837	40,070
General Supplies	11-000-270-610	5,000	-	5,000	283	4,717
Miscellaneous Expenditures	11-000-270-800	850	784	1,634	1,634	-
Total Student Transportation Services		515,481	(29,000)	486,481	344,316	142,165
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	3,500	100	3,600	3,528	72
Social Security Contributions	11-000-291-220	370,000	(100,225)	269,775	269,774	1
Other Retirement Contributions - PERS	11-000-291-241	385,000	5,064	390,064	367,539	22,525
Workmen's Compensation	11-000-291-260	120,806	15,709	136,515	136,515	-
Health Benefits	11-000-291-270	3,340,700	(277)	3,340,423	2,978,972	361,451
Tuition Reimbursement	11-000-291-280	50,000	-	50,000	43,073	6,927
Other Employee Benefits	11-000-291-290	266,875	(4,180)	262,695	262,427	268
Unused Sick Payments	11-000-291-299	30,000	(20,253)	9,747	9,747	-
Total Unallocated Benefits		4,566,881	(104,062)	4,462,819	4,071,575	391,244
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	992,594	(992,594)
On-Behalf TPAF Pension Contributions		-	-	-	4,248,383	(4,248,383)
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	920	(920)
Reimbursed TPAF Social Security Contributions		-	-	-	856,052	(856,052)
Total On-Behalf Contributions		-	-	-	6,097,949	(6,097,949)
Total Undistributed Expenditures		13,220,353	(132,393)	13,087,960	17,975,224	(4,887,264)
Interest Deposit to Maintenance Reserve		170	-	170	-	170
Total Expenditures - Current Expense		24,044,266	113,236	24,157,502	28,386,171	(4,228,669)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604	312	-	312	-	312
Equipment:						
Grades 1-5	12-120-100-730	14,000	-	14,000	9,541	4,459
Grades 6-8	12-130-100-730	3,500	-	3,500	2,385	1,115
Total Equipment		17,500	-	17,500	11,926	5,574

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

ACCOUNT NUMBER	JUNE 30, 2022				POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Facilities Acquisition & Construction Services:						
Architect/Engineering Services	12-000-400-334	46,000	12,407	58,407	53,223	5,184
Other Professional/Technical Services	12-000-400-390	60,000	(12,407)	47,593	20,460	27,133
Lease Purchase Agreement Principal	12-000-400-721	120,602	-	120,602	115,181	5,421
Assesment for Debt service on SDA Funding	12-000-400-896	2,213	-	2,213	2,213	-
Total Facilities Acquisition & Construction Services		228,815	-	228,815	191,077	37,738
Total Capital Outlay		246,627	-	246,627	203,003	43,624
Transfer of Funds to Charter Schools	10-000-100-56X	87,112		87,112	81,587	5,525
Total Expenditures		24,378,005	113,236	24,491,241	28,670,761	(4,179,520)
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		(920,340)	(42,959)	(963,299)	1,851,373	2,814,672
Fund Balances, July 1		5,057,522	-	5,057,522	5,057,522	-
Fund Balances, June 30		\$ 4,137,182	\$ (42,959)	\$ 4,094,223	\$ 6,908,895	\$ 2,814,672.00

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ -
Capital Reserve	3,286,544
Maintenance Reserve	665,039
Unemployment Compensation	376,008
Assigned Fund Balance:	
Reserve for Encumbrances	9,202
Designated for Subsequent Year's Expenditures	940,445
Unassigned Fund Balance	1,631,657
Subtotal	6,908,895
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(775,639)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,133,256</u>

**PITMAN BOROUGH SCHOOL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ 151,727	\$ (151,727)
State Sources	-	30,089	30,089	29,850	239
Federal Sources	964,646	1,529,069	2,493,715	748,832	1,744,883
Total Revenues	964,646	1,559,158	2,523,804	930,409	1,593,395
EXPENDITURES:					
Instruction:					
Salaries of Teachers	304,855	17,752	322,607	158,787	163,820
Other Salaries for Instruction	14,530	(98)	14,432	14,432	-
Purchased Professional & Technical Services	1,606	4,544	6,150	4,065	2,085
General Supplies	16,555	53,580	70,135	17,653	52,482
Tuition	308,452	37,852	346,304	346,271	33
Total Instruction	645,998	113,630	759,628	541,208	218,420
Support Services:					
Other Salaries	69,777	51,839	121,616	28,326	93,290
Purchased Professional & Technical Services	61,967	199,126	261,093	118,244	142,849
Personal Services - Employee Benefits	47,460	79,549	127,009	56,245	70,764
Other Purchased Services (400-500 Series)	80,000	600	80,600	-	80,600
Supplies & Materials	4,840	47,401	52,241	34,659	17,582
Scholarships	-	-	-	17,000	17,000
Student Activities	-	-	-	155,280	155,280
Total Support Services	264,044	378,515	642,559	409,754	577,365
Facilities Acquisitions & Construction Services:					
Buildings	54,605	1,053,482	1,108,087	-	1,108,087
Instructional Equipment	-	13,507	13,507	-	13,507
Total Facilities Acquisitions & Construction Services	54,605	1,066,989	1,121,594	-	1,121,594
Total Expenditures	964,647	1,559,134	2,523,781	950,962	1,917,379
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ (1)	\$ 24	\$ 23	\$ (20,553)	\$ 20,576
Fund Balance, July 1				<u>122,793</u>	
Fund Balance, June 30				<u>\$ 102,240</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 14,737	
Student Activities				<u>87,503</u>	
Total Fund Balance				<u>\$ 102,240</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**PITMAN BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 30,522,134	\$ 930,409
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(18,325)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(775,639)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	833,576	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 30,580,071</u>	<u>\$ 912,084</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 28,670,761</u>	<u>\$ 950,962</u>
Differences- Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	<u>\$ -</u>	<u>\$ (18,325)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 28,670,761</u>	<u>\$ 932,637</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2017	2015	2014
District's proportion of the net pension liability (asset)	0.03085%	0.03118%	0.03083%	#	0.03230%	0.03320%	0.03375%	0.03348%	0.03325%
District's proportionate share of the net pension liability (asset)	\$ 3,654,874	\$ 5,084,844	\$ 5,554,745	\$ 6,359,142	\$ 7,727,411	\$ 9,997,076	\$ 8,074,530	\$ 6,267,638	\$ 6,354,026
District's covered-employee payroll	2,299,571	2,228,481	2,223,613	2,382,131	2,419,120	2,473,296	2,169,341	2,397,778	2,313,411
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.937%	228.175%	249.807%	266.952%	319.431%	404.201%	372.211%	261.394%	274.660%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

PITMAN BOROUGH SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 361,312	\$ 341,107	\$ 299,866	\$ 321,252	\$ 307,522	\$ 299,869	\$ 309,425	\$ 275,972	\$ 250,504
Contributions in relation to the contractually required contribution	\$ 361,312	\$ 341,107	\$ 299,866	\$ 321,252	\$ 307,522	\$ 299,869	\$ 309,425	\$ 275,972	\$ 250,504
District's covered-employee payroll	\$ 2,299,571	\$ 2,228,481	\$ 2,223,613	\$ 2,382,131	\$ 2,419,120	\$ 2,473,296	\$ 2,169,341	\$ 2,397,778	\$ 2,313,411
Contributions as a percentage of covered-employee payroll	15.71%	15.31%	13.49%	13.49%	12.71%	12.12%	14.26%	11.51%	10.83%

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

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 52,900,560	\$ 75,393,914	\$ 72,127,135	\$ 73,117,940	\$ 76,729,139	\$ 88,360,329	\$ 72,899,425	\$ 58,357,528	\$57,563,856
District's covered-employee payroll	11,695,361	11,259,384	12,275,856	12,962,070	12,944,897	12,643,235	12,200,614	12,003,103	12,028,488
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

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

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
District's Total OPEB Liability					
Service Cost	\$ 3,786,474	\$ 2,227,216	\$ 2,249,485	\$ 2,482,595	\$ 3,000,040
Interest Cost	2,208,597	2,186,028	2,700,923	2,889,190	2,508,233
Difference between Expected and Actual Differences	(16,548,537)	15,779,104	(11,438,972)	(6,405,154)	-
Change in Benefit Terms	(90,620)	-	-	-	-
Changes of Assumptions	83,996	17,788,426	910,195	(7,854,104)	(10,531,209)
Contributions: Member	56,463	51,386	55,548	63,252	67,461
Gross Benefit Payments	(1,739,756)	(1,695,348)	(1,873,919)	(1,830,125)	(1,832,048)
Net Change in District's Total OPEB Liability	(12,243,383)	36,336,812	(7,396,740)	(10,654,346)	(6,787,523)
District's Total OPEB Liability (Beginning)	97,382,442	61,045,630	68,442,370	79,096,716	85,884,239
District's Total OPEB Liability (Ending)	<u>\$ 85,139,059</u>	<u>\$ 97,382,442</u>	<u>\$ 61,045,630</u>	<u>\$ 68,442,370</u>	<u>\$ 79,096,716</u>
District's Covered Employee Payroll	13,994,932	13,487,865	14,499,469	15,344,201	15,364,017
District's Net OPEB Liability as a Percentage of Payroll	608%	722%	421%	446%	515%

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

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

PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LOCAL PLAN (OPEB)
LAST THREE FISCAL YEARS*

	2022	2021	2020
District's Total OPEB Liability			
Interest Cost	\$ 9,939	\$ 8,030	\$ 12,686
Changes of Assumptions	(23,684)	(7,176)	16,233
Actuarial demographic (gain) or loss	(102,459)	168,329	44,951
Gross Benefit Payments	(66,206)	(77,543)	(65,163)
Net Change in District's Total OPEB Liability	(182,410)	91,640	8,707
District's Total OPEB Liability (Beginning)	495,390	403,750	395,043
District's Total OPEB Liability (Ending)	<u>\$ 312,980</u>	<u>\$ 495,390</u>	<u>\$ 403,750</u>
District's Covered Employee Payroll	N/A	N/A	N/A
District's Net OPEB Liability as a Percentage of Payroll	N/A	N/A	N/A

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
June 30, 2022**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2020, to 7.00% as of June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

Local Plan (OPEB)

Changes in Benefit Terms - None.

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OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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**PITMAN BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	TOTAL BROUGHT FORWARD E-1a	ESSA TITLE I SIA	TITLE IIA	IDEA PART B BASIC REGULAR PROGRAM	IDEA PRESCHOOL	SDA EMERGENT NEEDS & CAPITAL MAINTENANCE	TOTALS FY 2022
Revenues:							
Local Sources	\$ 151,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,727
State Sources	164,948	180,817	6,544	35,820	346,271	14,432	29,850
Federal Sources	-	-	-	-	-	-	748,832
Total Revenues	\$ 316,675	\$ 180,817	\$ 6,544	\$ 35,820	\$ 346,271	\$ 14,432	\$ 29,850
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 34,086	\$ 124,701	\$ -	\$ -	\$ -	\$ -	\$ 158,787
Other Salaries for Instruction	825	-	-	-	14,432	-	14,432
Purchased Professional & Technical Services	17,653	-	3,240	-	-	-	4,065
General Supplies	-	-	-	-	-	-	17,653
Tuition	-	-	-	346,271	-	-	346,271
Total Instruction	\$ 52,564	\$ 124,701	\$ 3,240	\$ 346,271	\$ 14,432	\$ -	\$ 541,208
Support Services:							
Salaries of Teachers	7,626	-	20,700	-	-	-	28,326
Purchased Professional & Technical Services	99,820	3,304	15,120	-	-	-	118,244
Personal Services - Employee Benefits	129	56,116	-	-	-	-	56,245
Supplies and Materials	4,809	-	-	-	-	29,850	34,659
Scholarships	17,000	-	-	-	-	-	17,000
Student Activities	155,280	-	-	-	-	-	155,280
Total Support Services	\$ 284,664	\$ 56,116	\$ 3,304	\$ 35,820	\$ -	\$ 29,850	\$ 409,754
Total Expenditures	\$ 337,228	\$ 180,817	\$ 6,544	\$ 35,820	\$ 346,271	\$ 14,432	\$ 29,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,553)	-	-	-	-	-	(20,553)
Fund Balance, July 1	122,793	-	-	-	-	-	-
Fund Balance, June 30	102,240	-	-	-	-	-	102,240

**PITMAN BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ARP- IDEA BASIC	ARP- ESSER	ESSER II	CRRSA LEARNING ACCELERATION	MENTAL HEALTH	SCHOLARSHIP	STUDENT ACTIVITY	TOTAL CARRIED FORWARD
Revenues:								
Local Sources	- \$	- \$	- \$	- \$	- \$	- \$	142,352 \$	151,727
Federal Sources	11,814	88,000	40,712	13,136	10,461	-	-	164,948
Total Revenues	11,814 \$	88,000 \$	40,712 \$	13,136 \$	10,461 \$	9,375 \$	142,352 \$	316,675
Expenditures:								
Instruction:								
Salaries of Teachers	- \$	- \$	26,520 \$	7,566 \$	- \$	- \$	- \$	34,086
Purchased Professional & Technical Services	825	-	-	-	289	-	-	825
General Supplies	11,814	-	-	5,550	-	-	-	17,653
Total Instruction	11,814	-	26,520	13,116	289	-	-	52,564
Support Services:								
Other Salaries	-	-	6,086	-	1,540	-	-	7,626
Purchased Professional & Technical Services	-	88,000	8,000	-	3,820	-	-	99,820
Personal Services - Employee Benefits	-	-	106	20	3	-	-	129
Supplies and Materials	-	-	-	-	4,809	-	-	4,809
Scholarships	-	-	-	-	-	17,000	-	17,000
Student Activities	-	-	-	-	-	-	155,280	155,280
Total Support Services	-	88,000	14,192	20	10,172	17,000	155,280	284,664
Total Expenditures	11,814 \$	88,000 \$	40,712 \$	13,136 \$	10,461 \$	17,000 \$	155,280 \$	337,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(7,625)	(12,928)	(20,553)
Fund Balance, July 1	-	-	-	-	-	22,362	100,431	122,793
Fund Balance, June 30	-	-	-	-	-	14,737	87,503	102,240

G. Proprietary Funds

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Enterprise Funds

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**PITMAN BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		
	Food Service Fund	Before/After School	Total FY 2022
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 373,936	\$ 151,505	\$ 525,441
Accounts Receivable:			
State	4,457	-	4,457
Federal	159,597	-	159,597
Other Receivable	733	-	733
Inventories	19,291	-	19,291
Total Current Assets	558,014	151,505	709,519
Capital Assets:			
Machinery & Equipment	349,736	-	349,736
Accumulated Depreciation	(188,435)	-	(188,435)
Total Capital Assets	161,301	-	161,301
Total Assets	719,315	151,505	870,820
LIABILITIES			
Unearned Revenue	2,328	-	2,328
Accounts Payable	25,381	-	25,381
Total Liabilities	27,709	-	27,709
NET POSITION			
Net Investment in Capital Assets	161,301	-	161,301
Unrestricted	530,305	151,505	681,810
Total Net Position	\$ 691,606	\$ 151,505	\$ 843,111

**PITMAN BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		
	Food Service Fund	Before/After School	Totals FY 2022
Operating Revenues:			
Local Sources:			
Daily Sales - Nonreimbursable Programs	\$ 12,475	\$ -	\$ 12,475
Special Functions/Miscellaneous	2,506	-	2,506
Tuition	-	107,811	107,811
Total Operating Revenue	14,981	107,811	122,792
Operating Expenses:			
Salaries	227,772	156,235	384,007
Employee benefits	24,084	11,952	36,036
Purchased professional/technical services	12,404	-	12,404
Other purchased services (400-500 series)	4,227	4,090	8,317
Supplies & Materials	46,663	403	47,066
Management Fee	25,250	-	25,250
Miscellaneous other expenses	7,069	424	7,493
Cost of Sales - Reimbursable	304,629	-	304,629
Cost of Sales - Non Reimbursable	5,834	-	5,834
Depreciation Expense	9,080	-	9,080
Total Operating Expenses	667,012	173,104	840,116
Operating Income/(Loss)	(652,031)	(65,293)	(717,324)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	15,896	-	15,896
Federal Sources:			
National School Lunch Program	511,539	-	511,539
School Breakfast	242,663	-	242,663
COVID-19 National School Lunch Program	28,144	-	28,144
COVID-19 P-EBT Administration	1,242	-	1,242
Food Distribution Program	40,287	-	40,287
Total Nonoperating Revenues	839,771	-	839,771
Net Income/(Loss)	187,740	(65,293)	122,447
Net Position/(Deficit) - July 1	503,866	216,798	720,664
Net Position/(Deficit) - June 30	\$ 691,606	\$ 151,505	\$ 843,111

**PITMAN BOROUGH SCHOOL DISTRICT
ENTERPRISE FUNDS
SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds		
	Food Service Fund	Before/After School	Total FY 2022
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 16,643	\$ 105,273	\$ 121,916
Payments to Employees	(227,772)	-	(227,772)
Payments for Employee Benefits	(24,084)	-	(24,084)
Payments to Suppliers	(544,788)	(176,355)	(721,143)
Net Cash Provided/(Used) by Operating Activities	(780,001)	(71,082)	(851,083)
Cash Flows From Noncapital Financing Activities:			
State Sources	15,119	-	15,119
Federal Sources	708,273	-	708,273
Net Cash Provided/(Used) by Noncapital Financing Activities	723,392	-	723,392
Cash Flows From Investing Activities:			
Equipment Purchases	(33,377)	-	(33,377)
Net Cash Provided/(Used) by Investing Activities	(33,377)	-	(33,377)
Net Increase/(Decrease) in Cash & Cash Equivalents	(89,986)	(71,082)	(161,068)
Balances - Beginning of Year	463,922	222,587	686,509
Balances - End of Year	\$ 373,936	\$ 151,505	\$ 525,441

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (652,031)	\$ (65,293)	(717,324)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	40,287	-	40,287
Depreciation & Net Amortization	9,080	-	9,080
(Increase)/Decrease in Accounts Receivable	284	-	284
(Increase)/Decrease in Inventories	(7,136)	-	(7,136)
Increase/(Decrease) in Accounts Payable	(171,863)	(3,251)	(175,114)
Increase/(Decrease) in Deferred Revenue	1,378	(2,538)	(1,160)
Total Adjustments	(127,970)	(5,789)	(133,759)
Net Cash Provided/(Used) by Operating Activities	\$ (780,001)	\$ (71,082)	\$ (851,083)

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I. Long-Term Debt

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**PITMAN BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2021	RETIRED	BALANCE JUNE 30, 2022
Refunding Bond Issue	6/2/2016	\$ 5,860,000	8/1/2022	665,000	4.000%	\$ 3,290,000	\$ 645,000	\$ 2,645,000
			8/1/2023	700,000	4.000%	-	-	-
			8/1/2024	720,000	4.000%	-	-	-
			8/1/2025	560,000	3.000%	-	-	-
			Total			\$ 3,290,000	\$ 645,000	\$ 2,645,000

**PITMAN BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
JUNE 30, 2022**

DESCRIPTION	Date of Lease	Term of Lease	Amount of Original Issues		Interest Rate	Amount Outstanding July 1, 2021	Issued	Retired	Amount Outstanding June 30, 2022
			Principal	Interest					
Roof Replacement & Removal of Roof Top HVAC	5/30/2019	4 Years	1,000,000	61,749	2.620%	\$ 605,071	\$ -	\$ 196,497	\$ 408,574
Total						\$ 605,071	\$ -	\$ 196,497	\$ 408,574

**PITMAN BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 427,038	\$ -	\$ 427,038	\$ 427,038	\$ -
State Sources:					
Debt Service Aid Type II	327,837	-	327,837	327,837	-
Total Revenues	754,875	-	754,875	754,875	-
Expenditures:					
Regular Debt Service:					
Interest	109,875	-	109,875	109,875	-
Redemption of Principal	645,000	-	645,000	645,000	-
Total Expenditures	\$ 754,875	\$ -	\$ 754,875	\$ 754,875	\$ -

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STATISTICAL SECTION (Unaudited)

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PITMAN BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 5,113,610	\$ 4,867,692	\$ 4,275,969	\$ 3,768,939	\$ 3,754,777	\$ 3,137,319	\$ 2,705,438	\$ 2,455,097	\$ 2,137,578	\$ 1,397,748
Restricted	4,429,831	3,852,406	2,738,724	1,540,256	1,467,283	1,670,905	1,912,414	2,440,263	2,244,406	2,557,021
Unrestricted	(5,144,834)	(7,794,716)	(9,000,060)	(9,239,296)	(9,231,961)	(8,288,057)	(7,397,530)	(7,227,828)	(916,702)	(907,488)
Total Governmental Activities Net Position	\$ 4,398,607	\$ 925,382	\$ (1,985,367)	\$ (3,930,101)	\$ (4,009,901)	\$ (3,479,833)	\$ (2,779,678)	\$ (2,332,468)	\$ 3,465,282	\$ 3,047,281
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 161,301	\$ 137,003	\$ 37,418	\$ 42,807	\$ 40,601	\$ 29,547	\$ 31,477	\$ 35,906	\$ 21,089	\$ 24,344
Unrestricted	681,810	583,661	301,396	330,042	351,451	345,080	325,946	267,509	288,210	290,890
Total Business-Type Activities Net Position	\$ 843,111	\$ 720,664	\$ 338,814	\$ 372,849	\$ 392,052	\$ 374,627	\$ 357,423	\$ 303,415	\$ 309,299	\$ 315,234
District-Wide:										
Net Investment in										
Capital Assets	\$ 5,274,911	\$ 5,004,695	\$ 4,313,387	\$ 3,811,746	\$ 3,795,378	\$ 3,166,866	\$ 2,736,915	\$ 2,491,003	\$ 2,158,667	\$ 1,422,092
Restricted	4,429,831	3,852,406	2,738,724	1,540,256	1,467,283	1,670,905	1,912,414	2,440,263	2,244,406	2,557,021
Unrestricted	(4,463,024)	(7,211,055)	(8,698,664)	(8,909,254)	(8,880,510)	(7,942,977)	(7,071,584)	(6,960,319)	(628,492)	(616,598)
Total District Net Position	\$ 5,241,718	\$ 1,646,046	\$ (1,646,553)	\$ (3,557,252)	\$ (3,617,849)	\$ (3,105,206)	\$ (2,422,255)	\$ (2,029,053)	\$ 3,774,581	\$ 3,362,515

**PITMAN BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,051,272	\$ 7,444,779	\$ 6,938,228	\$ 7,664,583	\$ 7,461,427	\$ 7,431,757	\$ 7,668,672	\$ 7,304,641	\$ 7,117,731	\$ 6,986,990
Special Education	3,117,736	2,889,151	2,979,855	3,199,857	3,210,417	3,297,304	3,331,472	3,252,223	3,088,673	3,137,435
Other Special Instruction	233,930	214,195	384,171	338,491	366,814	453,889	422,095	316,196	293,898	284,660
Other Instruction	549,217	441,113	480,841	523,674	526,524	560,819	542,216	516,624	503,066	465,823
Support Services & Undistributed Costs:										
Student & Instruction Related Services	3,979,359	4,082,311	4,069,777	4,160,948	3,838,421	3,602,913	3,571,093	3,375,730	3,714,135	3,788,798
General administration & central services	776,406	838,414	766,550	793,318	807,951	730,597	745,457	720,747	688,915	700,222
School Administrative Services	1,240,049	1,237,982	1,235,785	1,205,480	1,217,743	1,223,249	1,215,352	1,229,376	1,189,997	1,126,185
Plant Operations & Maintenance	1,861,292	1,847,535	1,700,203	1,840,107	1,871,951	2,090,673	1,965,852	1,986,009	1,829,674	1,839,748
Pupil Transportation	344,316	257,147	323,162	684,708	579,614	393,572	360,491	498,680	529,031	537,632
Employee Benefits	8,495,868	17,812,512	9,359,248	11,023,085	11,712,507	-	7,023,925	6,098,670	5,835,766	5,988,795
Transfer to Charter Schools	81,587	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt and Other Charges	87,088	141,437	131,607	151,414	173,622	212,370	235,119	336,273	371,780	402,070
Capital Outlay	-	-	53,428	186,837	35,903	152,660	256,609	140,456	110,921	108,776
Unallocated Depreciation	608,654	542,051	502,958	520,816	510,677	502,443	568,753	570,309	559,310	544,252
Total Governmental Activities	28,426,774	37,748,627	28,925,813	32,293,318	32,313,571	28,804,482	27,907,106	26,345,934	25,832,897	25,911,386
Expenses										
Business-Type Activities:										
Food Service	667,012	722,825	391,601	418,849	401,622	456,671	454,741	460,104	465,673	462,856
Before/After School	173,104	120,356	190,389	196,731	204,702	179,465	210,492	188,460	185,643	189,132
Preschool	-	102,580	107,943	102,579	102,152	101,331	98,249	94,470	88,027	83,922
Total Business-Type Activities Expense	840,116	945,761	689,933	718,159	708,476	737,467	763,482	743,034	739,343	735,910
Total District Expenses	\$ 29,266,890	\$ 38,694,388	\$ 29,615,746	\$ 33,011,477	\$ 33,022,047	\$ 29,541,949	\$ 28,670,588	\$ 27,088,968	\$ 26,572,240	\$ 26,647,296
Program Revenues:										
Governmental Activities										
Charges for Services:	142,352	68,141	-	-	-	-	-	-	-	-
Operating Grants & Contributions	6,520,650	10,614,959	603,429	575,643	599,358	598,661	623,109	607,981	604,209	601,256
Total Governmental Activities	\$ 6,663,002	\$ 10,683,100	\$ 603,429	\$ 575,643	\$ 599,358	\$ 598,661	\$ 623,109	\$ 607,981	\$ 604,209	\$ 601,256
Program Revenues										

PITMAN BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-Type Activities										
Charges for Services:										
Food Service	14,981	553	156,589	207,576	194,184	205,098	177,004	183,346	201,449	219,129
Before/After School	107,811	46,318	150,189	189,171	198,926	229,717	265,614	228,383	221,581	211,330
Preschool	-	31,440	67,148	66,005	82,745	65,490	86,045	86,469	81,503	85,576
Operating Grants & Contributions	839,771	1,179,322	163,972	156,204	159,111	151,700	147,827	154,456	158,875	151,065
Inventory Loss	-	-	-	-	-	-	-	(5,504)	-	-
Total Business Type Activities	962,563	1,257,633	537,898	618,956	634,966	652,005	676,490	647,150	663,408	667,100
Program Revenues										
Total District Program Revenues	\$ 7,625,565	\$ 11,940,733	\$ 11,220,998	\$ 1,222,385	\$ 1,210,609	\$ 1,251,363	\$ 1,275,151	\$ 1,270,259	\$ 1,271,389	\$ 1,271,309
Net (Expense)/Revenue:										
Governmental Activities	(21,763,772)	(27,065,527)	(27,065,527)	(28,322,384)	(31,717,675)	(31,714,213)	(28,205,821)	(27,283,997)	(25,737,953)	(25,228,688)
Business-Type Activities	122,447	311,872	(407,863)	(70,977)	(83,193)	(56,471)	(60,977)	(116,332)	(79,626)	(72,243)
Total District-Wide Net Expense	\$ (21,641,325)	\$ (26,753,655)	\$ (27,473,390)	\$ (28,393,361)	\$ (31,800,868)	\$ (31,770,684)	\$ (28,266,798)	\$ (27,400,329)	\$ (25,817,579)	\$ (25,300,931)
General Revenues & Other Changes in Net Position										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 14,892,296	\$ 14,600,290	\$ 14,314,010	\$ 13,883,866	\$ 13,530,733	\$ 13,080,587	\$ 12,824,105	\$ 12,572,652	\$ 12,326,130	\$ 12,032,190
Taxes Levied for Debt Service	427,038	425,356	426,148	385,407	619,644	592,431	571,441	585,213	670,384	686,763
Federal & State Aid Not Restricted	9,529,320	13,892,737	15,340,441	17,184,928	13,986,766	13,660,517	13,206,525	12,858,137	12,425,177	12,632,312
Tuition	257,948	183,287	109,247	250,635	165,712	113,190	170,507	162,656	201,522	194,463
Investment Earnings	6,017	10,309	11,250	9,977	12,077	10,430	13,351	16,627	15,723	32,885
Miscellaneous Income	124,378	-	184,022	162,662	134,596	148,512	304,697	79,666	77,753	88,861
Other financing sources (uses)	-	(2,100)	-	-	(112,839)	-	(112,839)	-	-	-
Transfers	-	(66,267)	(118,000)	(80,000)	(80,000)	(100,000)	(141,000)	(90,000)	(70,000)	(75,000)
Total Governmental Activities	25,236,997	29,043,612	30,267,118	31,797,475	28,369,528	27,505,667	26,836,787	26,184,951	25,646,689	25,592,474
Business-Type Activities										
Transfers	-	66,267	118,000	80,000	80,000	100,000	141,000	90,000	70,000	75,000
Other financing sources (uses)	-	3,711	-	-	10,935	2,666	-	-	-	-
Total Business-Type Activities	-	69,978	118,000	80,000	90,935	102,666	141,000	90,000	70,000	75,000
Total District-Wide	\$ 25,236,997	\$ 29,113,590	\$ 30,385,118	\$ 31,877,475	\$ 28,460,463	\$ 27,608,333	\$ 26,977,787	\$ 26,274,951	\$ 25,716,689	\$ 25,589,383
Change in Net Position:										
Governmental Activities	3,473,225	1,978,085	3,201,591	3,475,091	(3,348,147)	(4,208,546)	(1,369,034)	(1,099,046)	(91,264)	363,786
Business-Type Activities	122,447	381,850	381,850	(289,863)	9,023	7,742	46,195	80,023	(26,332)	(9,626)
Total District	\$ 3,595,672	\$ 2,359,935	\$ 3,583,441	\$ 3,185,228	\$ 3,484,114	\$ (3,340,405)	\$ (4,162,351)	\$ (1,289,011)	\$ (1,125,378)	\$ (100,890)

**PITMAN BOROUGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 4,327,591	\$ 3,729,613	\$ 1,457,920	\$ 1,120,858	\$ 887,387	\$ 1,136,393	\$ 1,412,408	\$ 1,851,200	\$ 1,594,158	\$ 1,308,556
Assigned	949,647	420,025	1,281,137	419,731	538,320	492,603	449,240	456,249	338,803	409,560
Unassigned	856,018	74,308	(337,854)	(416,362)	(429,208)	(470,367)	(481,209)	(449,978)	(412,351)	(361,554)
Total General Fund	\$ 6,133,256	\$ 4,223,946	\$ 2,401,203	\$ 1,124,227	\$ 996,499	\$ 1,158,629	\$ 1,380,439	\$ 1,857,471	\$ 1,520,610	\$ 1,356,562
All Other Governmental Funds:										
Restricted										
Special Revenue Fund	102,240.00	122,793.00	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	103,340	626,436
Debt Service Fund	-	-	(333)	(333)	41,576	41,909	50,766	132,814	208,105	212,469
Total All Other Governmental Funds	\$ 102,240	\$ 122,793	\$ (333)	\$ (333)	\$ 41,576	\$ 41,909	\$ 50,766	\$ 132,814	\$ 311,445	\$ 838,905

**PITMAN BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Tax Levy	\$ 15,319,334	\$ 15,025,646	\$ 14,740,158	\$ 14,269,273	\$ 14,150,377	\$ 13,673,018	\$ 13,395,546	\$ 13,157,865	\$ 12,996,514	\$ 12,718,953
Miscellaneous	539,559	451,178	304,519	423,274	312,385	272,132	488,555	258,949	294,998	316,209
State Sources	15,605,947	14,682,076	14,216,698	14,443,676	13,967,244	13,614,791	13,195,666	12,794,979	12,383,938	12,587,011
Federal Sources	782,190	983,206	664,281	613,873	618,880	644,387	633,968	671,139	645,448	646,557
Total Revenue	32,247,030	31,142,106	29,925,656	29,750,096	29,048,886	28,204,328	27,713,735	26,882,932	26,320,898	26,268,730
Expenditures:										
Current Expense:										
Instruction	10,952,155	10,983,758	10,925,532	11,903,566	11,713,466	11,913,421	12,090,482	11,530,627	11,133,532	10,869,472
Undistributed Expenditures	18,448,240	17,352,661	16,586,000	16,912,826	16,148,762	15,208,203	14,702,298	13,831,782	13,777,501	13,986,794
Capital Outlay	200,790	510,991	340,118	1,236,320	360,774	307,132	368,456	285,344	658,602	241,868
Debt Service	757,088	754,163	753,350	755,400	1,028,861	1,055,650	1,114,062	1,125,192	1,150,607	1,169,172
Total Expenditures	30,358,273	29,601,573	28,605,000	30,808,112	29,251,863	28,484,406	28,275,298	26,772,945	26,720,242	26,267,306
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,888,757	1,540,533	1,320,656	(1,058,016)	(202,977)	(280,078)	(561,563)	109,987	(399,344)	1,424
Other Financing Sources/(Uses):										
Cancellation of Accounts Receivable	-	(2,100)	-	-	-	-	-	-	-	-
Transfer to Enterprise Funds	-	(66,267)	(118,000)	(80,000)	(80,000)	(100,000)	(141,000)	(90,000)	(70,000)	(75,000)
Capital Leases (Nonbudget)	-	-	74,320	1,223,835	120,514	149,412	143,482	138,243	105,932	102,679
Total Other Financing Sources/(Uses)	-	(68,367)	(43,680)	1,143,835	40,514	49,412	2,482	48,243	35,932	27,679
Net Change in Fund Balances	\$ 1,888,757	\$ 1,472,166	\$ 1,276,976	\$ 85,819	\$ (162,463)	\$ (230,666)	\$ (559,081)	\$ 158,230	\$ (363,412)	\$ 29,103
Debt Service as a Percentage of Noncapital Expenditures	2.51%	2.59%	2.67%	2.55%	3.56%	3.75%	3.99%	4.25%	4.41%	4.49%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**PITMAN BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Fiscal Year Ended June 30,	Prior Year Refunds	Gate Receipts	Rentals	SREC's	Shared Service	E-Rate	Miscellaneous	TOTAL
2022	\$ 1,629	\$ 10,672	\$ 5,450	\$ 53,707	\$ -	\$ 17,754	\$ 9,820	\$ 99,032
2021	5,937	1,771	25	77,134	12,150	53,415	8,404	158,836
2020	18,979	13,661	3,106	95,770	-	35,989	16,517	184,022
2019	4,440	7,164	4,301	92,032	-	50,039	4,686	162,662
2018	8,756	4,007	2,500	62,812	-	55,670	851	134,596
2017	1,334	11,405	-	73,827	-	48,267	13,679	148,512
2016	3,719	13,281	8,500	218,476	-	-	60,721	304,697
2015	1,670	12,031	12,463	51,660	-	-	1,842	79,666
2014	-	17,279	12,915	43,914	-	-	3,645	77,753
2013	21,848	21,251	14,059	30,492	-	-	1,211	88,861

PITMAN BOROUGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE	TOTAL DIRECT SCHOOL TAX RATE
2022	1,777,500	506,011,500	225,800	10,700	37,436,800	7,702,000	16,237,400	569,401,700		569,401,700	638,743,316	2.664
2021	1,876,500	504,601,200	225,800	11,100	38,210,800	8,002,000	15,790,300	568,717,700		568,717,700	623,419,729	2.617
2020	2,093,900	504,185,600	225,800	11,400	38,148,300	8,678,800	15,790,300	569,134,100		569,134,100	607,005,449	2.549
2019	2,122,800	504,094,800	225,800	11,400	38,535,500	8,678,800	15,790,300	569,459,400	566,544	570,025,944	598,200,471	2.493
2018	1,942,900	503,579,700	225,800	14,300	38,591,300	8,678,800	15,790,300	568,823,100	563,436	569,386,536	603,110,372	2.443
2017	1,942,900	503,301,600	225,800	14,300	38,804,000	8,678,800	15,790,300	568,757,700	562,862	569,320,562	604,981,815	2.378
2016	1,973,300	503,624,700	225,800	14,300	40,188,500	10,678,800	15,790,300	572,495,700	603,264	573,098,964	600,466,502	2.316
2015	2,158,200	502,983,700	225,800	14,100	41,687,600	15,289,200	15,790,300	578,148,900	585,442	578,734,342	624,599,842	2.259
2014	2,694,200	503,186,700	225,800	13,800	44,362,500	18,289,200	17,451,600	586,223,800	743,943	586,967,743	673,172,118	2.191
2013	1,578,200	328,466,700	189,700	32,200	22,520,000	15,074,500	8,007,000	375,868,300	392,100	376,260,400	717,252,099	3.289

Source: Gloucester County Abstract of Ratables

**PITMAN BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	BOROUGH OF PITMAN	COUNTY OF GLOUCESTER	
2022	2.664	2.664	1.049	0.770	4.483
2021	2.617	2.617	1.048	0.765	4.430
2020	2.617	2.617	1.045	0.732	4.394
2019	2.549	2.549	1.043	0.717	4.309
2018	2.493	2.493	1.044	0.713	4.250
2017	2.443	2.443	1.026	0.715	4.184
2016	2.378	2.378	1.005	0.687	4.070
2015	2.316	2.316	0.962	0.664	3.942
2014	2.259	2.259	0.914	0.693	3.866
2013	2.191	2.191	1.391	1.050	4.632

Source: Municipal Tax Collector

**PITMAN BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2022		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
AP HOLLY COURT LLC	\$ 10,424,600		1.83%
400 N WOODBURY ROAD LLC	3,000,000		0.53%
GRANDVIEW APTS LLC	2,800,000		0.49%
COMET TOOL CO INC	2,047,000		0.36%
LCR LEASING CORP	1,648,100		0.29%
TAXPAYER #1	1,401,800		0.25%
BRI SCOT LP	1,364,000		0.24%
TAXPAYER #2	1,318,500		0.23%
PITMAN GARDEN APARTMENTS	1,100,000		0.19%
NEWFIELD NATIONAL BANK	1,025,000		0.18%
Total	\$ 26,129,000		4.59%

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
SONY MUSIC	\$ 11,000,000		2.92%
LAKE FRONT LLC	2,299,200		0.61%
TAXPAYER #1	1,793,800		0.48%
TAXPAYER #2	1,700,200		0.45%
LAKE FRONT LLC	1,462,900		0.39%
COMET TOOL COMPANY	1,303,100		0.35%
TAXPAYER #3	977,600		0.26%
LCR LEASING CORP.	876,000		0.23%
LAKE FRONT LLC	799,900		0.21%
PITMAN GARDEN APTS.	650,100		0.17%
Total	\$ 22,862,800		6.08%

**PITMAN BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2022	\$ 15,319,334	\$ 15,319,334	100.00%
2021	15,025,646	15,025,646	100.00%
2020	14,740,158	14,740,158	100.00%
2019	14,269,273	14,269,273	100.00%
2018	14,150,377	14,150,377	100.00%
2017	13,673,018	13,673,018	100.00%
2016	13,395,546	13,395,546	100.00%
2015	13,157,865	13,157,865	100.00%
2014	12,996,514	12,996,514	100.00%
2013	12,718,953	12,718,953	100.00%

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

**PITMAN BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	LEASE PURCHASE	BOND ANTICIPATION NOTES		
2022	\$ 2,645,000	\$ 408,574	\$ -	\$ 3,053,574	N/A
2021	3,290,000	605,071	-	3,895,071	N/A
2020	3,910,000	822,157	878,161	5,610,318	641
2019	4,510,000	1,186,488	886,802	6,583,290	753
2018	5,090,000	129,191	-	5,219,191	595
2017	5,920,000	146,457	-	6,066,457	689
2016	6,820,000	140,532	-	6,960,532	789
2015	7,654,000	126,382	-	7,780,382	877
2014	8,444,000	103,977	-	8,547,977	962
2013	9,224,000	117,214	-	9,341,214	1049

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

**PITMAN BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2022	\$ 2,645,000	\$ -	\$ 2,645,000	0.46%	N/A
2021	3,290,000	-	3,290,000	0.58%	N/A
2020	3,290,000	-	3,290,000	0.58%	376
2019	3,910,000	-	3,910,000	0.69%	447
2018	4,510,000	-	4,510,000	0.79%	514
2017	5,090,000	-	5,090,000	0.89%	578
2016	5,920,000	-	5,920,000	1.04%	671
2015	6,820,000	-	6,820,000	1.19%	769
2014	7,654,000	-	7,654,000	1.32%	861
2013	8,444,000	-	8,444,000	1.44%	948

**PITMAN BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Pitman	15,635,605	100%	15,635,605
Gloucester County	163,432,000	2.13%	3,480,879
Subtotal, Overlapping Debt Pitman School District Debt			19,116,484 2,645,000
Total Direct & Overlapping Debt			<u>\$ 21,761,484</u>

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

**PITMAN BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 25,741,045	\$ 24,804,335	\$ 24,256,788	\$ 23,980,967	\$ 24,094,029	\$ 24,489,718	\$ 25,324,584	\$ 26,787,126	\$ 28,280,767	\$ 29,291,062
Total Net Debt Applicable to Limit	2,645,000	3,290,000	3,290,000	3,290,000	3,910,000	4,510,000	5,920,000	5,920,000	6,820,000	7,654,000
Legal Debt Margin	\$ 23,096,045	\$ 21,514,335	\$ 78,045,643	\$ 20,690,967	\$ 20,184,029	\$ 19,979,718	\$ 19,404,584	\$ 20,867,126	\$ 21,460,767	\$ 21,637,062
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.275%	13.264%	13.563%	13.719%	16.228%	18.416%	23.376%	22.100%	24.115%	26.131%

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis	
2021	\$ 674,646,564
2020	635,013,064
2019	620,918,721

\$ 1,930,578,349

\$ 643,526,116

\$ 25,741,045

2,645,000

\$ 23,096,045

Average Equalized Valuation of Taxable Property

Debt Limit (4% of Average Equalization Value)

Net Bonded School Debt

Legal Debt Margin

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

**PITMAN BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	GLOUCESTER COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2022	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2020	8,753	N/A	N/A	9.0%
2019	8,747	494,196,753	56,499	3.5%
2018	8,779	477,085,976	54,344	3.8%
2017	8,801	462,017,296	52,496	4.0%
2016	8,818	447,989,672	50,804	4.5%
2015	8,868	440,003,556	49,617	5.4%
2014	8,890	421,074,850	47,365	6.2%
2013	8,909	408,727,102	45,878	6.8%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
 - (b) Personal income calculated using population and per capita personal income
 - (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A - Information not available

**PITMAN BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

EMPLOYER	EMPLOYEES 2022	EMPLOYEES 2013
Amazon	4,500	-
Rowan University	3,500	1,300
Inspira Health	2,051	-
Jefferson Health	2,015	-
Underwood Memorial Hospital	-	1,825
Washington Township School District	1,515	1,648
Shop Rite	1,300	-
County of Gloucester	1,200	1,500
Kennedy Health Alliance	-	1,200
US Food Service	1,014	741
Missa Bay, LLC	-	950
Monroe Township School District	841	725
Walmart - Turnersville	800	-
DGI Services	-	600
Delaware Valley Wholesale Florist	-	500
	<hr/>	<hr/>
Total	<u>18,736</u>	<u>10,989</u>

Source: Information provided by the Gloucester County Office of Economic Development Directly

Note: The information is for the County of Gloucester, information at the municipal level is not readily available.

**PITMAN BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	77.2	86.8	89.0	102.3	103.1	102.3	101.8	101.8	104.7	103.3
Special Education	41.1	55.0	61.7	66.1	63.3	69.3	71.0	70.6	71.1	71.0
Support Services:										
Student & instruction related services	34.4	20.6	32.1	32.9	30.7	28.5	33.4	33.8	31.1	34.3
School Administrative Services	19.6	19.6	19.6	19.6	19.9	20.6	19.1	18.4	17.4	16.6
Central services	5.0	4.0	4.9	4.0	4.0	4.0	4.0	3.7	3.7	3.7
Plant Operations & Maintenance	20.0	20.1	20.1	19.2	20.4	19.2	20.8	19.9	19.9	19.8
Other support services	0.0	1.0	3.0	3.0	3.0	3.0	1.3	-	-	-
Food Service	3.3	5.9	6.1	6.1	5.9	5.9	10.1	7.0	7.0	7.0
Total	200.6	213.0	236.5	253.2	250.3	252.8	261.5	255.2	254.9	255.7

Source: District Personnel Records

**PITMAN BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	HIGH SCHOOL				
2022	1,154	\$ 29,400,395	25,477	0.0041%	155.7	7.75	6.96	6.96	1,137.3	1,070.7	0.97%	94.15%
2021	1,140	28,336,419	24,857	0.0047%	167.8	9.22	8.03	8.78	1,126.4	1,078.7	-8.80%	95.77%
2020	1,236	28,336,419	22,926	0.0051%	143.3	8.80	8.10	8.60	1,235.1	1,196.4	-2.35%	96.87%
2019	1,292	27,511,532	21,294	0.0045%	162.1	6.57	8.27	8.85	1,264.8	1,206.3	-2.65%	95.37%
2018	1,327	28,816,392	21,715	0.0051%	163.3	7.95	7.43	8.52	1,299.2	1,237.2	-3.43%	95.23%
2017	1,351	27,862,228	20,623	0.0056%	162.3	8.38	7.68	8.60	1,345.4	1,280.1	-1.04%	95.15%
2016	1,418	27,121,624	19,127	0.0057%	161.1	8.45	8.98	9.00	1,359.5	1,305.4	-3.29%	96.02%
2015	1,461	26,792,780	18,339	0.0065%	164.9	9.04	8.35	9.52	1,405.8	1,349.8	-2.87%	96.02%
2014	1,505	25,362,409	16,852	0.0062%	174.3	9.12	9.17	9.63	1,447.4	1,391.3	-3.83%	96.12%
2013	1,513	24,911,033	16,465	0.0065%	167.4	10.28	11.4	11.29	1,505.1	1,439.2	-1.30%	95.62%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**PITMAN BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
DISTRICT BUILDINGS										
Elementary Schools:										
Memorial School (1962):										
Square Feet	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717
Capacity (Students)	309	309	309	309	309	309	309	309	309	309
Enrollment	207	118	183	187	182	200	208	221	230	251
Kindle School (1926):										
Square Feet	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977
Capacity (Students)	217	217	217	217	217	217	217	217	217	217
Enrollment (a)	177	201	165	166	174	187	195	205	211	205
WCK Walls School (1926):										
Square Feet	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902
Capacity (Students)	274	274	274	274	274	274	274	274	274	274
Enrollment	175	185	211	229	246	248	228	236	238	247
Middle School:										
Pitman Middle School (1922):										
Square Feet	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684
Capacity (Students)	381	381	381	381	381	381	381	381	381	381
Enrollment	260	281	314	306	302	307	343	350	359	349
High School:										
Pitman High School (1971)										
Square Feet	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415
Capacity (Students)	556	556	556	556	556	556	556	556	556	556
Enrollment	340	332	351	379	401	401	433	436	436	456

Number of Schools at June 30, 2021:

Elementary = 3

Middle School = 1

High School = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on June student counts.

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	Memorial	Kindle	Walls	Middle School	High School	Total
2022	21,083	10,015	13,716	33,687	48,138	126,639
2021	10,503	11,591	13,587	35,514	51,181	122,376
2020	10,366	10,989	7,393	26,538	57,446	112,732
2019	39,261	29,271	45,330	29,443	44,472	187,777
2018	35,466	25,344	58,481	28,193	123,768	271,252
2017	21,228	371,286	16,061	35,261	52,601	496,437
2016	59,750	145,441	21,229	69,653	142,350	438,423
2105	38,508	54,747	16,393	38,563	295,446	443,657
2104	16,493	19,909	11,813	70,458	131,443	250,116
2103	6,369	13,930	19,948	36,477	260,167	336,891

Source: District records

**PITMAN BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022**

	COVERAGE	DEDUCTIBLE
Gloucester County Insurance Pool, Joint Insurance Fund :		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	-
Educators Legal Liability	250,000	-
Workers Compensation-Self Insured Retention	250,000	-
Crime- Self insured Retention	250,000	500
School Pool For Excess Liability Limits **		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	150,000,000	-
Crime	500,000	-
Workers Compensation	Statutory	-
Employer's Liability	15,000,000	-
General Liability / Auto Liability	15,000,000	-
Educators' Legal Liability	15,000,000	-
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
Beazley/Lloyd's of London / Commerce and Industry Insurance company		
Pollution Legal Liability	3,000,000	25,000
Starr Indemnity & Liability Company		
Cyber Liability	2,000,000	-
Hanover Insurance Company :		
Surety - Board Secretary	250,000	-

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Pitman Borough School District (the “School District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated February 8, 2023.

Internal Control Over Financial Reporting

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

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

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

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying schedule of findings and questioned costs as Finding 2022-001.

School District's Response to Findings

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
February 8, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Pitman Borough School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

School District's Response to Findings

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

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

Medford, New Jersey
February 8, 2023

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PITMAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FAIN NUMBER	GRANT OR PROJECT NUMBER	PROGRAM AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES/ ADJUSTMENTS	(ACCOUNTS RECEIVABLE AT JUNE 30, 2022)	UNEARNED REVENUE AT JUNE 30, 2022	DUE TO GRANTOR AT JUNE 30, 2022
U.S. Department of Agriculture													
Passed Through New Jersey Department of Agriculture													
Child Nutrition Cluster:													
Food Distribution Program (Non-cash Assistance)	10.555	22 NJ304N1099	Unavailable	\$36,441	7/1/21-6/30/22	\$ -	\$ 36,441	\$ (36,441)	\$ -	\$ -	\$ -	\$ -	\$ -
Food Distribution Program (Non-cash Assistance)	10.555	21 NJ304N1099	Unavailable	55,507	7/1/20-6/30/21	3,846	-	(3,846)	-	-	-	-	-
National School Lunch Program	10.555	22 NJ304N1099	100-01-6-350-026	511,539	7/1/21-6/30/22	-	477,786	(511,539)	-	-	(33,753)	-	-
COVID-19 National School Lunch Program	10.555	21 NJ304N1099	100-01-6-350-026	281,144	7/1/21-6/30/22	-	1,567	(28,144)	-	-	(26,577)	-	-
COVID-19 National School Lunch Program	10.555	22 NJ304N1099	100-01-6-350-026	587,437	7/1/20-6/30/21	(50,656)	-	(242,663)	-	-	(50,656)	-	-
School Breakfast Program	10.553	22 NJ304N1099	100-01-6-350-026	242,663	7/1/21-6/30/22	-	227,678	-	-	-	(14,985)	-	-
School Breakfast Program	10.553	21 NJ304N1099	100-01-6-350-026	378,236	7/1/20-6/30/21	(32,616)	-	-	-	-	(32,616)	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	22 NJ304N1099	100-01-6-350-026	11,715	7/1/20-6/30/21	(1,010)	-	-	-	-	(1,010)	-	-
Total Child Nutrition Cluster						(80,436)	743,472	(822,633)	-	-	(159,597)	-	-
COVID-19 P-EBT Administration	10.649	202222500941	100-01-6-350-026	1,242	7/1/21-6/30/22	-	1,242	(1,242)	-	-	-	-	-
Total U.S. Department of Agriculture						(80,436)	744,714	(823,875)	-	-	(159,597)	-	-
Total U.S. Department of Health and Human Services													
Passed Through New Jersey Department of Human Services:													
Medical Assistance Program (SMA) - Cluster	93.778	2105NMAP	100-054-5064-194	51,172	7/1/21-6/30/22	(518)	44,999	(51,172)	-	-	(6,173)	-	-
Medical Assistance Program (SMA) - Cluster	93.778	2005NMAP	100-054-5064-211	61,727	7/1/20-6/30/21	-	518	-	-	-	-	-	-
Total U.S. Department of Health and Human Services						(518)	45,517	(51,172)	-	-	(6,173)	-	-
Total General Fund													
Passed Through New Jersey Department of Education:													
Special Revenue Fund:													
Title I- Part A	84.010	S010A210030	100-034-5064-194	193,077	7/1/21-9/30/22	-	112,826	(180,817)	-	-	(67,991)	-	-
Title I- Part A	84.010	S010A200030	100-034-5064-194	162,649	7/1/20-9/30/21	(93,450)	93,450	-	-	-	-	-	-
Title I- SIA	84.010	S010A210030	100-034-5064-194	10,000	7/1/21-9/30/22	-	6,544	(6,544)	-	-	-	-	-
Title I- SIA	84.010	S010A200030	100-034-5064-194	13,974	7/1/20-9/30/21	(8,801)	8,801	-	-	-	-	-	-
Subtotal						(102,251)	221,621	(187,361)	-	-	(67,991)	-	-
Title IIIA- Part A	84.367	S367A210029	100-034-5063-290	51,043	7/1/21-9/30/22	-	2,300	(35,820)	-	-	(33,520)	-	-
Title IIIA- Part A	84.367	S367A200029	100-034-5063-290	49,792	7/1/20-9/30/21	(35,740)	35,740	-	-	-	-	-	-
Subtotal						(885)	38,040	(35,520)	-	-	(33,520)	-	-
Title III- English Language Acquisition	84.365	S365A210030	100-034-5064-187	1,000	7/1/21-9/30/22	-	-	(825)	-	-	(825)	-	-
Title III- English Language Acquisition	84.365	S365A202230	100-034-5064-187	885	7/1/20-9/30/21	(885)	885	-	-	-	(825)	-	-
COVID-19 Crisis Emergency Relief	84.425D	S425D200027	100-034-5120-513	128,016	3/13/20-9/30/2022	(1,650)	1,650	-	-	-	-	-	-
COVID-19 Crisis-ESSER II	84.425D	S425D200027	100-034-5120-513	53,248	3/13-20-9/30/2023	(144,883)	176,826	(40,712)	-	2,200	(5,799)	-	-
COVID-19 Learning Acceleration	84.425D	S425D200027	100-034-5120-513	32,938	3/13-20-9/30/2023	(88)	2,677	(13,136)	-	-	(11,341)	-	-
COVID-19 Mental Health	84.425D	S425D200027	100-034-5120-513	45,000	3/13-20-9/30/2023	(546)	2,089	(10,161)	-	-	(8,918)	-	-
ARP- ESSER	84.425U	S425U210027	100-034-5120-513	1,153,482	3/13-20-9/30/2024	(147,191)	183,242	(152,309)	-	2,200	(88,000)	-	-
Subtotal - Education Stabilization Fund						(147,191)	183,242	(152,309)	-	2,200	(88,000)	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	100-034-5065-016	346,304	7/1/21-9/30/22	-	283,337	(346,271)	-	-	(62,934)	-	-
ARP - IDEA Basic	84.027X	H027X210100	100-034-5065-016	52,280	7/1/21-9/30/22	-	-	(11,814)	-	-	(11,814)	-	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	100-034-5065-016	365,496	7/1/20-6/30/20	(179,032)	179,032	-	-	-	-	-	-
Subtotal						(179,032)	462,369	(338,085)	-	-	(74,748)	-	-
I.D.E.A. Preschool	84.173A	H173A210114	100-034-5065-020	14,432	7/1/21-9/30/22	-	13,473	(14,432)	-	-	(959)	-	-
I.D.E.A. Preschool	84.173A	H173A200114	100-034-5065-020	14,483	7/1/20-6/30/20	(7,565)	7,565	-	-	-	(959)	-	-
Subtotal						(186,597)	483,407	(372,317)	-	-	(75,707)	-	-
Total Special Education Cluster						(477,664)	977,195	(748,832)	-	2,200	(292,101)	-	-
Total Special Revenue Fund													
Total Expenditures of Federal Awards						\$ (535,618)	\$ 1,717,426	\$ (1,623,879)	\$ -	\$ 2,200	\$ (457,871)	\$ -	\$ -

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

PITMAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022		MEMO CUMULATIVE TOTAL EXPENDITURES	
									(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE		DUE TO GRANTOR
New Jersey Department of Education:												
General Fund:												
Categorical Special Education Aid	495-034-5120-089	\$ 925,239	7/1/21-6/30/22	\$ -	\$ 925,239	\$ (925,239)	\$ -	\$ -	\$ -	\$ -	\$ 88,431	\$ 925,239
Equalization Aid	495-034-5120-078	6,899,347	7/1/21-6/30/22	-	6,899,347	(6,899,347)	-	-	-	-	659,414	6,899,347
Security Aid	495-034-5120-084	142,285	7/1/21-6/30/22	-	142,285	(142,285)	-	-	-	-	13,599	142,285
Total State Aid Public				-	7,966,871	(7,966,871)	-	-	-	-	761,444	7,966,871
Categorical Transportation Aid	495-034-5120-014	148,522	7/1/21-6/30/22	-	148,522	(148,522)	-	-	-	-	14,195	148,522
Securing Our Children's Future Bond Act	N/A	70,277	7/1/21-6/30/22	-	-	(70,277)	-	-	-	(70,277)	-	70,277
Lead Testing for Schools Aid	495-034-5120-104	2,959	7/1/21-6/30/22	-	-	(2,959)	-	-	-	(2,959)	-	2,959
Maintenance of Equity (MOEQ)	495-034-5120-128	685,125	7/1/21-6/30/22	-	-	(685,125)	-	-	-	(685,125)	-	685,125
Extraordinary Aid	495-034-5120-044	218,620	7/1/21-6/30/22	-	-	(218,620)	-	-	-	(218,620)	-	218,620
Extraordinary Aid	495-034-5120-044	169,035	7/1/20-6/30/21	(169,035)	169,035	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	856,052	7/1/21-6/30/22	-	816,247	(856,052)	-	-	-	(39,805)	-	856,052
Reimbursed TPAF Social Security Contributions	495-034-5094-003	865,106	7/1/20-6/30/21	(3,379)	3,379	-	-	-	-	-	-	-
Noncash Assistance:												
On Behalf Post Retirement Long Term Disability Insurance Contributions	100-034-5094-004	920	7/1/21-6/30/22	-	920	(920)	-	-	-	-	-	920
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	4,248,383	7/1/21-6/30/22	-	4,248,383	(4,248,383)	-	-	-	-	-	4,248,383
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	992,594	7/1/21-6/30/22	-	992,594	(992,594)	-	-	-	-	-	992,594
Total General Fund				(172,414)	14,345,951	(15,190,323)	-	-	-	(1,016,786)	775,639	15,190,323
Special Revenue Fund:												
SDA Grant - Emergent Needs	N/A	30,089	7/1/21-6/30/22	-	30,089	(29,850)	-	-	239	-	-	29,850
Total Special Revenue Fund				-	30,089	(29,850)	-	-	239	-	-	29,850
Debt Service Fund:												
Debt Service Aid	495-034-5120-017	327,837	7/1/21-6/30/22	-	327,837	(327,837)	-	-	-	-	-	327,837
Total Debt Service Fund				-	327,837	(327,837)	-	-	-	-	-	327,837
Enterprise Fund:												
National School Lunch Program (State Share)	100-010-3350-023	15,896	7/1/21-6/30/22	-	15,119	(15,896)	-	-	-	(777)	-	15,896
National School Lunch Program (State Share)	100-010-3350-023	28,278	7/1/20-6/30/21	(3,680)	-	-	-	-	-	(3,680)	-	-
Total Enterprise Fund				(3,680)	15,119	(15,896)	-	-	-	(4,457)	-	15,896
Total State Financial Assistance				\$ (176,094)	\$ 14,718,996	\$ (15,563,906)	\$ -	\$ -	\$ 239	\$ (1,021,243)	\$ 775,639	\$ 15,563,906
Less: Grants Not Subject to Major Program Determination:												
On Behalf Post Retirement Long Term Disability Insurance Contributions	100-034-5094-004	920	7/1/21-6/30/22	-	-	920	-	-	-	-	-	-
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	4,248,383	7/1/21-6/30/22	-	-	4,248,383	-	-	-	-	-	-
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	992,594	7/1/21-6/30/22	-	-	992,594	-	-	-	-	-	-
Total State Financial Assistance subject to Calculation for Major Program Determination												\$ (10,322,009)

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

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Pitman Borough School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2022. 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, 2022.

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.

**PITMAN BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$57,937 for the general fund and \$(17,814) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 51,172	\$ 15,248,260	\$ 15,299,432
Special Revenue Fund	731,018	29,850	760,868
Debt Service Fund	-	327,837	327,837
Food Service Fund	823,875	15,896	839,771
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,606,065</u>	<u>\$ 15,621,843</u>	<u>\$ 17,227,908</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 Pitman Borough School District had no loan balances outstanding at June 30, 2022.

**PITMAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555/10.553</u>	<u>22NJ304N1099</u>	<u>Child Nutrition Cluster</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**PITMAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? yes no

Internal control over major programs:

 1) Material weakness(es) identified? yes no

 2) Significant deficiency(ies) identified? yes no

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

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

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

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

Finding 2022-001:

Criteria or Specific Requirement:

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

Condition:

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

Context:

Utilizing the U.S.A. net cash resources calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$369,052 as of June 30, 2022.

Cause:

Due to the Public Health Emergency, all meals provided were eligible for reimbursement, causing a significant increase in revenues for the District.

Effect or Potential Effect:

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

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of responsible officials and planned corrective action:

Management agrees with the above finding and will take necessary corrective action.

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

Child Nutrition Cluster- 10.555 National School Lunch, 10.553 School Breakfast

Finding 2022-001:

Criteria or Specific Requirement:

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

Condition:

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

Questioned Costs:

None.

Context:

Utilizing the U.S.A. net cash resources calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$369,052 as of June 30, 2022.

Effect:

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

Cause:

Due to the Public Health Emergency, all meals provided were eligible for reimbursement, causing a significant increase in revenues for the District.

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of responsible officials and planned corrective action:

Management agrees with the above finding and will take necessary corrective action.

**PITMAN BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

STATE FINANCIAL ASSISTANCE

None.

**PITMAN BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

Finding 2021-001

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

Status: The condition has not been fully corrected.

State Financial Assistance

No Prior Year Findings.