

Annual Comprehensive Financial Report

of the

**Upper Pittsgrove Township
School District**

Monroeville, New Jersey

**For The Fiscal Year Ended
June 30, 2022**

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

Upper Pittsgrove School District

235 Pine Tavern Road · Monroeville · New Jersey · 08343

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

March 30, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Upper Pittsgrove Township School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

Upper Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The Upper Pittsgrove Township Board of Education and its one school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through Grade 8. These include regular, as well as special education for handicapped students. The District completed the 2021-2022 fiscal year with an enrollment of 451 including 132 high school students, which is four (4) less students than the previous year's enrollment and includes 319 Pre- K through Grade 8 students. The following charts the enrollment of the district over the last ten years:

Enrollment

Fiscal Year	Student <u>Enrollment*</u>	Percent <u>Change</u>
2021-22	451	(0.88%)
2020-21	455	2.25%
2019-20	445	(0.22%)
2018-19	446	(1.55%)
2017-18	453	(2.58%)
2016-17	465	(5.87%)
2015-16	494	(3.33%)
2014-15	511	(4.66%)
2013-14	536	(3.77%)
2012-13	557	(7.93%)
2011-12	605	5.22%

* Includes High School Students

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

- Completed a One to One Chromebook initiative
- Continued use of i-Ready in both ELA and Math
- Updated the Main office and several classrooms with new flooring.
- Completed several HVAC projects in the building.
- Repointed the necessary areas of the building to ensure no water leaks.
- Received the Preschool expansion grant and opened 4 preschool full day classes.
- Worked on new curriculum across multiple areas.
- Increased mental health services to students
- Provided after school tutoring in a one to one setting.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

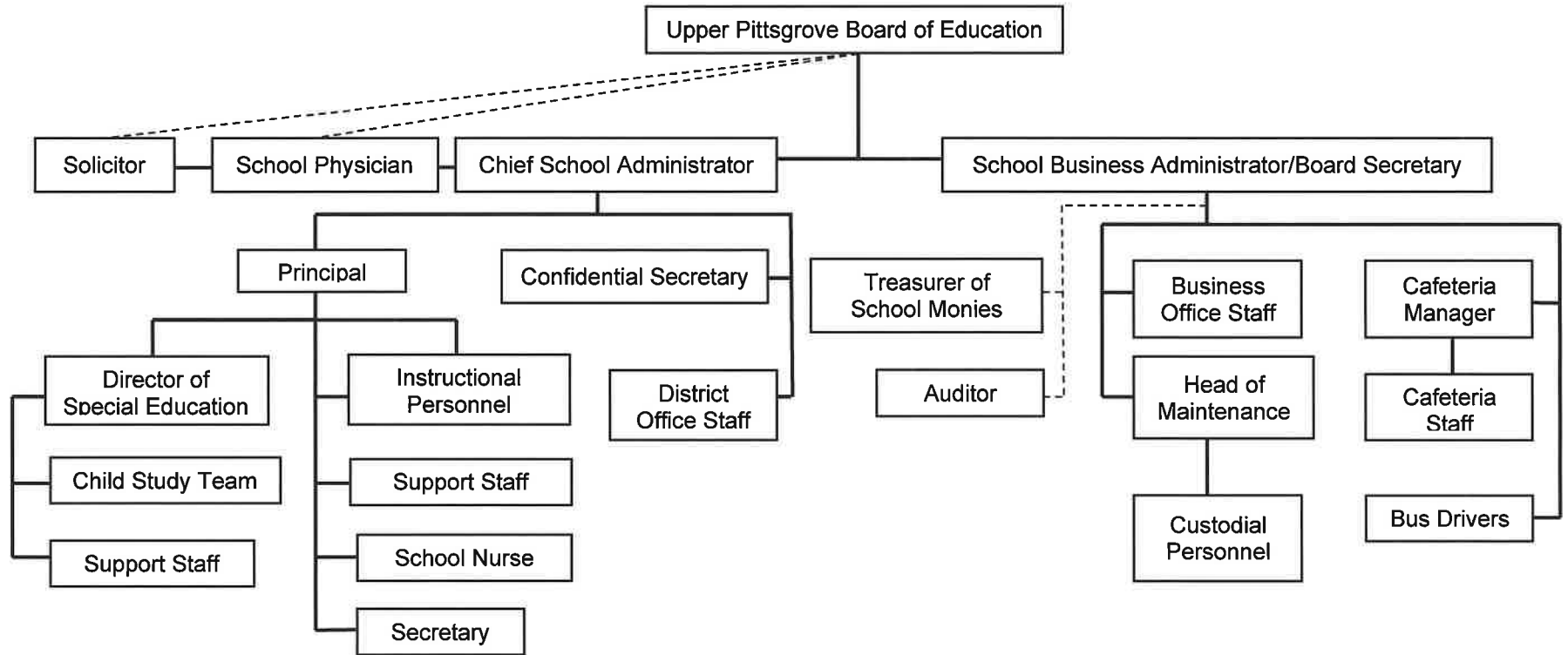


Kristin Williams
Chief School Administrator



Katherine Van Tassel
Business Administrator/Board Secretary

UPPER PITTSBORO SCHOOL DISTRICT ORGANIZATION CHART



**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
MONROEVILLE, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires December 31,</u>
Polly Deal, President	2024
Jessica Bishop, Vice President	2022
John Basile	2022
Laura DiSilvestro	2024
Michael Kinney	2023
Brian Wasilewski	2023
Ryan Caltabiano	2024
John Gallagher	2022
James Parks	2023
 <u>Other Officials</u>	
Mr. Scott Eckstein, Superintendent	
Katherine Van Tassel, School Business Administrator/Board Secretary	
Kelly Righter, Treasurer of School Moneys	

**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
MONROEVILLE, NEW JERSEY**

CONSULTANTS AND ADVISORS

JUNE 30, 2022

Audit Firm

Bowman & Company LLP
6 N. Broad Street, Suite 201
Woodbury, New Jersey 08096

Attorney

Paul C. Kalac, Esq.
Weiner Law Group LLP
629 Parsippany Road
Parsippany, New Jersey 07054

Official Depositories

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Upper Pittsgrove Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 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, and each major fund of the Upper Pittsgrove Township School District, in the County of Salem, State of New Jersey, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 other 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.

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the School District has determined that certain disclosures of leases, formerly classified as operating, now meet the criteria of this Statement. As a result, a capital asset and long-term liability are recorded for the underlying lease (notes 6 and 7). Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

During the fiscal year ended June 30, 2022, the School District became aware of accounts payable that were not recorded in the prior fiscal year. As a result, the School District has restated net position of business-type activities as of July 1, 2021 on the statement of activities and on the proprietary funds statement of revenues, expenses, and changes in fund net position to reflect the recording of the accounts payable, as described in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 currently 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 opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 judgment, 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, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Upper Pittsgrove Township School District's basic financial statements. The combining statements and related major fund supporting statements and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 our 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.

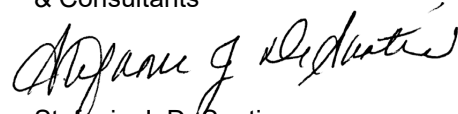
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the Upper Pittsgrove Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upper Pittsgrove Township 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 Upper Pittsgrove Township School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stefanie J. DeSantis
Certified Public Accountant
Public School Accountant No. CS 002523

Woodbury, New Jersey
March 30, 2023

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Upper Pittsgrove Township School District, in the County of Salem, 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, and have issued our report thereon dated March 30, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the recording of prior year accounts payable.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Upper Pittsgrove Township 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 Upper Pittsgrove Township 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as Finding No. 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Upper Pittsgrove Township 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

The Upper Pittsgrove Township School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

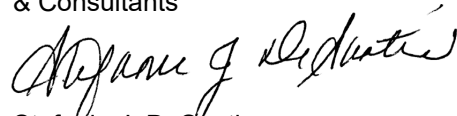
Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stefanie J. DeSantis
Certified Public Accountant
Public School Accountant No. CS 002523

Woodbury, New Jersey
March 30, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

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

The discussion and analysis of the Upper Pittsboro Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Annual Comprehensive Financial Report ("ACFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2021-2022 are as follows:

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,907,893.88 (net position).
- The District's net position increased by a total of \$678,067.36 because of this year's operations. Net position of the business-type activities increased by \$42,793.43. Net position of the governmental activities increased by \$635,273.93.
- During the year, the District generated \$10,310,787.93 in revenues from governmental activities, an increase from the previous fiscal year of \$342,180.93 (approximately 3.4%).
- In the District's business-type activities, operating revenues increased by \$92,781.82 and operating expenses decreased by \$101,498.39.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of four sections: introductory, financial, statistical and single audit. These statements are organized so the reader can first understand the District as a whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the District's most significant funds, reporting on the District's operations in *more detail* than the government-wide financial 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- and long-term financial information about the activities the District operates like a business.

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 District's budget for the year.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2022
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) (CONT'D)

Reporting the School District as a Whole

The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and uses the accrual basis of accounting like the accounting used by most private-sector businesses. All the current year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. These statements report the District's *net position* and how it has changed. Net position is the difference between the District's assets, deferred outflows, liabilities, and deferred inflows represents one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

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

- *Governmental activities:* Most of the District's basic services are included here, such as alternative and special education. State Aid, the local tax levy and, to a lesser degree, tuition, finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

Reporting the District's Most Significant Funds

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the government-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on programs.

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

The School District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future 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 are available for spending in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information provided at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2022
(Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2022 and 2021:

TABLE 1
Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 3,246,250.92	\$ 5,140,853.00	\$ (1,894,602.08)	-36.85%
Capital Assets	<u>5,117,776.01</u>	<u>2,404,647.00</u>	<u>2,713,129.01</u>	<u>112.83%</u>
Total Assets	<u>8,364,026.93</u>	<u>7,545,500.00</u>	<u>818,526.93</u>	<u>10.85%</u>
Deferred Outflows of Resources - Related to Pensions	<u>134,084.00</u>	<u>231,391.00</u>	<u>(97,307.00)</u>	<u>-42.05%</u>
Long-Term Liabilities	4,107,241.12	4,543,490.00	(436,248.88)	-9.60%
Other Liabilities	<u>715,510.93</u>	<u>157,812.00</u>	<u>557,698.93</u>	<u>353.39%</u>
Total Liabilities	<u>4,822,752.05</u>	<u>4,701,302.00</u>	<u>121,450.05</u>	<u>2.58%</u>
Deferred Inflows of Resources- Related to Pensions	<u>767,465.00</u>	<u>808,535.00</u>	<u>(41,070.00)</u>	<u>-5.08%</u>
Net Position				
Net Investment in Capital Assets	1,509,775.18	(1,138,353.00)	2,648,128.18	-232.63%
Restricted	2,238,163.28	4,580,395.00	(2,342,231.72)	-51.14%
Unrestricted (Deficit)	<u>(840,044.58)</u>	<u>(1,174,988.00)</u>	<u>334,943.42</u>	<u>-28.51%</u>
Total Net Position	<u>\$ 2,907,893.88</u>	<u>\$ 2,267,054.00</u>	<u>\$ 640,839.88</u>	<u>28.27%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 134,084.00	\$ 231,391.00	\$ (97,307.00)	-42.05%
Less: Net Pension Liability	(530,349.00)	(863,884.00)	333,535.00	-38.61%
Less: Deferred Inflows Related to Pensions	<u>(767,465.00)</u>	<u>(808,535.00)</u>	<u>41,070.00</u>	<u>-5.08%</u>
	<u>\$ (1,163,730.00)</u>	<u>\$ (1,441,028.00)</u>	<u>\$ 277,298.00</u>	<u>-19.24%</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2022
(Unaudited)

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

Table 3 reflects changes in net position for fiscal years 2022 and 2021.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 59,738.39	\$ 31,390.00	\$ 28,348.39	90.31%
Federal & State Categorical Grants	2,748,891.37	1,634,032.00	1,114,859.37	68.23%
General Revenues:				
Property Taxes	4,672,561.00	4,464,529.00	208,032.00	4.66%
Federal & State Grants	3,009,377.52	3,924,240.00	(914,862.48)	-23.31%
Other	69,184.47	93,218.00	(24,033.53)	-25.78%
Total Revenues	<u>10,559,752.75</u>	<u>10,147,409.00</u>	<u>412,343.75</u>	<u>4.06%</u>
Expenses:				
Instruction:				
Regular	2,833,833.42	2,226,086.00	607,747.42	27.30%
Special Education	278,077.68	249,633.00	28,444.68	11.39%
Other Instruction	38,182.28	98,392.00	(60,209.72)	-61.19%
Support Services:				
Tuition	1,589,567.57	2,014,454.00	(424,886.43)	-21.09%
Student and Instruction Related	474,826.04	535,643.00	(60,816.96)	-11.35%
General Administrative Services	284,077.12	185,627.00	98,450.12	53.04%
School Administrative Services	102,110.98	136,815.00	(34,704.02)	-25.37%
Central Services	121,933.38	129,939.00	(8,005.62)	-6.16%
Administration Information Technology	38,078.59	15,000.00	23,078.59	153.86%
Plant Operations and Maintenance	559,954.68	468,389.00	91,565.68	19.55%
Student Transportation Services	499,493.22	592,292.00	(92,798.78)	-15.67%
Unallocated Benefits and Support Services	2,586,560.73	2,696,747.00	(110,186.27)	-4.09%
Unallocated Depreciation Expense	212,357.72	208,711.00	3,646.72	1.75%
Interest on Long-Term Debt	33,841.59	59,728.00	(25,886.41)	-43.34%
Food Service	224,094.30	115,667.00	108,427.30	93.74%
School Care	4,696.09	11,625.00	(6,928.91)	-59.60%
Total Expenses	<u>9,881,685.39</u>	<u>9,744,748.00</u>	<u>136,937.39</u>	<u>1.41%</u>
Change in Net Position	678,067.36	402,661.00	275,406.36	2.66%
Beginning Net Position	<u>2,267,054.00</u>	<u>2,420,740.00</u>	<u>(153,686.00)</u>	<u>-6.35%</u>
Ending Net Position, Prior to Restatement	2,945,121.36	2,823,401.00	121,720.36	4.31%
Prior Period Adjustment	<u>(37,227.48)</u>	<u>(556,347.00)</u>	<u>519,119.52</u>	<u>-93.31%</u>
Ending Net Position	<u>\$ 2,907,893.88</u>	<u>\$ 2,267,054.00</u>	<u>\$ 640,839.88</u>	<u>28.27%</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2022
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$2,748,068.54. Restricted fund balances include the capital reserve account with \$505,404.00 of funds available, the maintenance reserve account with \$394,454.00 of funds available, capital projects in the amount of \$687,236.37, debt service in the amount of \$0.19, excess surplus in the amount of \$240,986.76, excess surplus designated for subsequent year's expenditures in the amount of \$140,427.00, tuition reserves in the amount of \$200,000.00, scholarship reserves in the amount of \$13,497.43, and student activities reserves in the amount of \$56,157.53. Assigned fund balance includes \$82,448.00 designated for subsequent year's expenditures and \$72,071.78 assigned for encumbrances. The unassigned fund balance is \$357,035.48 for the general fund and \$(1,650.00) for the special revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

Reimbursements for pension and Social Security contributions of \$1,348,273.91 are non-budgeted items in both revenues and appropriations.

CAPITAL ASSETS

At the end of fiscal year 2022 and 2021, the School District had \$5,117,776.01 and \$2,488,214.23, respectively, in capital assets net of accumulated depreciation and amortization. Table 4 reflects the District's capital assets.

TABLE 4
Capital Assets

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Governmental Activities:		
Land	\$ 781,429.00	\$ 781,429.00
Construction in Progress	2,763,729.20	-
Facility And Improvements	7,123,971.00	7,123,971.00
Transportation	597,595.00	728,163.00
Lease Assets - Equipment	96,423.71	96,423.71
Machinery and Equipment	533,956.30	573,953.00
	<hr/>	<hr/>
Total Capital Assets, Cost	11,897,104.21	9,303,939.71
	<hr/>	<hr/>
Less: Accumulated Depreciation and Amortization	(6,787,402.20)	(6,825,287.48)
	<hr/>	<hr/>
Total Capital Assets Governmental Activities, net	\$ 5,109,702.01	\$ 2,478,652.23
	<hr/>	<hr/>
Business Type Activities:		
Equipment	142,294.00	142,294.00
Less: Accumulated Depreciation	(134,220.00)	(132,732.00)
	<hr/>	<hr/>
Total Capital Assets Business-Type Activities, net	8,074.00	9,562.00
	<hr/>	<hr/>
Total Capital Assets	<u>\$ 5,117,776.01</u>	<u>\$ 2,488,214.23</u>

Depreciation and amortization expense was \$213,845.72 for fiscal year ended 2022 and \$223,055.48 for fiscal year ended 2021.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2022
(Unaudited)

LONG-TERM DEBT

At June 30, 2022, the School District had \$4,310,830.44 in long-term debt, comprised of the following: Serial Bonds in the amount of \$3,543,000.00, lease liability in the amount of \$65,000.83, compensated absences in the amount of \$172,480.61, and net pension liability in the amount of \$530,349.00.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like the rest of the United States, the State of New Jersey has been heavily impacted by the inconsistencies of the economy. For that reason, there is no assurance that state funding can be maintained at current levels. The Township of Upper Pittsgrove has continued to maintain adequate funding for the District to ensure that the Board of Education and Administration could continue to carry out the District's mission. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community. Looking toward next fiscal year, there remains a concern with the lack of enrollment growth in the district and the continual reliance on local property taxes. The need to manage to continued rises in health benefits, salaries, transportation, special education costs and maintain our facility continues to be a concern to the Board and Administration. We continue to be proactive with facilities that are aged, financial resources, and personnel in an effort to stay fiscally responsible.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,800,298.93	\$ 50,675.30	\$ 1,850,974.23
Receivables, net	468,865.99	25,976.84	494,842.83
Inventory		575.86	575.86
Restricted Assets:			
Capital Reserve Account - Cash	505,404.00		505,404.00
Maintenance Reserve Account - Cash	394,454.00		394,454.00
Capital Assets, net (Note 6)	<u>5,109,702.01</u>	<u>8,074.00</u>	<u>5,117,776.01</u>
Total Assets	<u>8,278,724.93</u>	<u>85,302.00</u>	<u>8,364,026.93</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>134,084.00</u>		<u>134,084.00</u>
LIABILITIES:			
Accounts Payable	38,848.15	15,378.20	54,226.35
Accounts Payable - Related to Pensions	54,003.00		54,003.00
Accrued Interest	17,358.18		17,358.18
Interfunds Payable	6,685.74	586.50	7,272.24
Payroll Deductions and Salary Withholdings Payable	124,385.29		124,385.29
Unearned Revenue	251,035.20	3,641.35	254,676.55
Noncurrent Liabilities (Note 7):			
Due within One Year	203,589.32		203,589.32
Due beyond One Year	<u>4,107,241.12</u>		<u>4,107,241.12</u>
Total Liabilities	<u>4,803,146.00</u>	<u>19,606.05</u>	<u>4,822,752.05</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>767,465.00</u>		<u>767,465.00</u>
NET POSITION:			
Net Investment in Capital Assets	1,501,701.18	8,074.00	1,509,775.18
Restricted for:			
Debt Service	0.19		0.19
Capital	505,404.00		505,404.00
Maintenance	394,454.00		394,454.00
Other Purposes	581,413.76		581,413.76
Capital Projects	687,236.37		687,236.37
Student Activities	56,157.53		56,157.53
Scholarship Fund	13,497.43		13,497.43
Unrestricted (Deficit)	<u>(897,666.53)</u>	<u>57,621.95</u>	<u>(840,044.58)</u>
Total Net Position	<u>\$ 2,842,197.93</u>	<u>\$ 65,695.95</u>	<u>\$ 2,907,893.88</u>

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Regular	\$ 2,833,833.42		\$ 733,690.25	\$ (2,100,143.17)		\$ (2,100,143.17)
Special Instruction	234,840.48			(234,840.48)		(234,840.48)
Other Special Instruction	43,237.20			(43,237.20)		(43,237.20)
Other Instruction	6,439.01			(6,439.01)		(6,439.01)
School Sponsored Cocurricular Activities	31,743.27			(31,743.27)		(31,743.27)
Undistributed Expenditures and Support Services:						
Tuition	1,589,567.57			(1,589,567.57)		(1,589,567.57)
Attendance and Social Work	23,407.79			(23,407.79)		(23,407.79)
Health Services	65,413.28			(65,413.28)		(65,413.28)
Students - Related Services	44,524.65			(44,524.65)		(44,524.65)
Child Study Team and Guidance Services	172,329.00			(172,329.00)		(172,329.00)
Improvement of Instruction Services	105,272.35			(105,272.35)		(105,272.35)
Educational Media Services/School Library	7,379.46			(7,379.46)		(7,379.46)
Instructional Staff Training Services	56,499.51			(56,499.51)		(56,499.51)
General Administration	284,077.12			(284,077.12)		(284,077.12)
School Administration	102,110.98			(102,110.98)		(102,110.98)
Central Services	121,933.38			(121,933.38)		(121,933.38)
Administrative Information Technology	38,078.59			(38,078.59)		(38,078.59)
Operation and Maintenance of Plant Services	559,954.68		212,496.22	(347,458.46)		(347,458.46)
Student Transportation Services	499,493.22			(499,493.22)		(499,493.22)
Unallocated Benefits	2,024,505.44		1,158,719.91	(865,785.53)		(865,785.53)
Support Services	562,055.29	\$ 44,031.86	388,144.64	(129,878.79)		(129,878.79)
Unallocated Depreciation and Amortization	212,357.72			(212,357.72)		(212,357.72)
Interest on Long Term Debt	33,841.59			(33,841.59)		(33,841.59)
Total Governmental Activities	9,652,895.00	44,031.86	2,493,051.02	(7,115,812.12)	-	(7,115,812.12)
Business-Type Activities:						
Food Service	224,094.30	14,850.41	255,840.35		\$ 46,596.46	46,596.46
School Care	4,696.09	856.12			(3,839.97)	(3,839.97)
Total Business-Type Activities	228,790.39	15,706.53	255,840.35	-	42,756.49	42,756.49
Total Government	\$ 9,881,685.39	\$ 59,738.39	\$ 2,748,891.37	(7,115,812.12)	42,756.49	(7,073,055.63)

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Local Tax Levy	\$ 4,672,561.00		\$ 4,672,561.00
Federal and State Aid not Restricted	3,009,377.52		3,009,377.52
Miscellaneous Income	91,766.53	\$ 36.94	91,803.47
Special Items:			
Loss on Disposal of Capital Assets	(13,057.00)		(13,057.00)
Fixed Asset Adjustments	(9,562.00)		(9,562.00)
Total General Revenues and Special Items	<u>7,751,086.05</u>	<u>36.94</u>	<u>7,751,122.99</u>
Change in Net Position	635,273.93	42,793.43	678,067.36
Net Position -- July 1	<u>2,206,924.00</u>	<u>60,130.00</u>	<u>2,267,054.00</u>
Prior Period Adjustment		<u>(37,227.48)</u>	<u>(37,227.48)</u>
Net Position -- July 1 (Restated)	<u>2,206,924.00</u>	<u>22,902.52</u>	<u>2,229,826.52</u>
Net Position -- June 30	<u>\$ 2,842,197.93</u>	<u>\$ 65,695.95</u>	<u>\$ 2,907,893.88</u>

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

FUND FINANCIAL STATEMENTS

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,043,407.41	\$ 69,654.96	\$ 687,236.37	\$ 0.19	\$ 1,800,298.93
Due from Other Funds	586.50	137,234.63			137,821.13
Receivables from Other Governments	350,899.04	115,482.33			466,381.37
Receivables from Other School Districts	1,898.12				1,898.12
Restricted Cash and Cash Equivalents:					
Capital Reserve Account	505,404.00				505,404.00
Maintenance Reserve Account	394,454.00				394,454.00
Total Assets	\$ 2,296,649.07	\$ 322,371.92	\$ 687,236.37	\$ 0.19	\$ 3,306,257.55
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 35,516.39	\$ 3,331.76			\$ 38,848.15
Payroll Deductions and Salary Withholdings Payable	124,385.29				124,385.29
Interfund Payable	143,920.37				143,920.37
Unearned Revenue		251,035.20			251,035.20
Total Liabilities	303,822.05	254,366.96	-	-	558,189.01
Fund Balances:					
Restricted:					
Capital Reserve Account	505,404.00				505,404.00
Maintenance Reserve Account	394,454.00				394,454.00
Capital Projects			\$ 687,236.37		687,236.37
Debt Service				\$ 0.19	0.19
Excess Surplus	240,986.76				240,986.76
Excess Surplus - Subsequent Year's Expenditures	140,427.00				140,427.00
Tuition Reserve	100,000.00				100,000.00
Tuition Reserve - Subsequent Year's Expenditures	100,000.00				100,000.00
Scholarship		13,497.43			13,497.43
Student Activities		56,157.53			56,157.53
Assigned:					
Subsequent Year's Expenditures					
General Fund Balance	82,448.00				82,448.00
Other Purposes	72,071.78				72,071.78
Unassigned:					
General Fund	357,035.48				357,035.48
Special Revenue Fund		(1,650.00)			(1,650.00)
Total Fund Balances	1,992,827.02	68,004.96	687,236.37	0.19	2,748,068.54
Total Liabilities and Fund Balances	\$ 2,296,649.07	\$ 322,371.92	\$ 687,236.37	\$ 0.19	

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 \$11,897,104.21 and the accumulated depreciation an amortization is \$6,787,402.20.	5,109,702.01
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,780,481.44)
Net Pension Liability	(530,349.00)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(17,358.18)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(54,003.00)
Deferred Outflows of Resources - Related to Pensions	134,084.00
Deferred Inflows of Resources - Related to Pensions	(767,465.00)
Net position of governmental activities	<u>\$ 2,842,197.93</u>

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ending June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 4,607,261.00			\$ 65,300.00	\$ 4,672,561.00
Interest Earned on Capital and Maintenance Reserve Funds	12,148.55				12,148.55
Rentals	55,854.00				55,854.00
Other Restricted Miscellaneous Revenues		\$ 50,731.86			50,731.86
Unrestricted Miscellaneous Revenues	23,763.98				23,763.98
State Sources	4,450,624.43	588,478.08			5,039,102.51
Federal Sources		633,113.03			633,113.03
Total Revenues	9,149,651.96	1,272,322.97	-	65,300.00	10,487,274.93
EXPENDITURES:					
Current:					
Regular Instruction	2,120,147.17	733,690.25			2,853,837.42
Special Instruction	234,840.48				234,840.48
Other Special Instruction	43,237.20				43,237.20
Other Instruction	6,439.01				6,439.01
School Sponsored Cocurricular Activities	31,743.27				31,743.27
Undistributed Expenditures and Support Services:					
Tuition	1,589,567.57				1,589,567.57
Attendance and Social Work	23,407.79				23,407.79
Health Services	65,413.28				65,413.28
Student - Related Services	44,524.65				44,524.65
Other Support Services	141,604.75				141,604.75
Child Study Team and Guidance Services	172,329.00				172,329.00
Improvement of Instruction Services	105,272.35				105,272.35
Educational Media Services/School Library	7,379.46				7,379.46
Instructional Staff Training Services	56,499.51				56,499.51
General Administration	284,077.12				284,077.12
School Administration	102,110.98				102,110.98
Central Services	121,933.38				121,933.38
Administrative Information Technology	38,078.59				38,078.59
Operation and Maintenance of Plant Services	559,954.68				559,954.68
Student Transportation Services	499,493.22				499,493.22
Unallocated Benefits	1,040,139.29				1,040,139.29
On-Behalf Pension Contributions	1,139,057.00				1,139,057.00
Reimbursed TPAF Social Security Contributions	209,216.91				209,216.91
Support Services		420,450.54			420,450.54
Debt Service:					
Interest and Other Charges				65,299.81	65,299.81
Capital Outlay	64,827.28	212,496.22	\$ 2,588,703.00		2,866,026.50
Total Expenditures	8,701,293.94	1,366,637.01	2,588,703.00	65,299.81	12,721,933.76
Excess (Deficiency) of Revenues over Expenditures	448,358.02	(94,314.04)	(2,588,703.00)	0.19	(2,234,658.83)
OTHER FINANCING SOURCES (USES):					
Transfer to Special Revenue Fund - Preschool Expansion	(106,040.00)	106,040.00			-
Net Change in Fund Balances	342,318.02	11,725.96	(2,588,703.00)	0.19	(2,234,658.83)
Fund Balance -- July 1	1,650,509.00	56,279.00	3,275,939.37	-	4,982,727.37
Fund Balance -- June 30	\$ 1,992,827.02	\$ 68,004.96	\$ 687,236.37	\$ 0.19	\$ 2,748,068.54

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ending June 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	(2,234,658.83)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation and Amortization Expense	\$	(212,357.72)	
Capital Outlays		2,866,026.50	
Fixed Asset Balance Adjustment		<u>(9,562.00)</u>	
			2,644,106.78

The issuance of long-term debt (e.g., bonds, financed purchases and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 19,695.13

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) (13,057.00)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 31,767.09

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (35,874.61)

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. 223,295.37

Change in Net Position of Governmental Activities	\$	<u><u>635,273.93</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2022

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>School Care</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 44,991.36	\$ 5,683.94	\$ 50,675.30
Accounts Receivable:			
State	320.46		320.46
Federal	18,970.64		18,970.64
Interfund Accounts Receivable	6,685.74		6,685.74
Inventory	<u>575.86</u>		<u>575.86</u>
Total Current Assets	<u>71,544.06</u>	<u>5,683.94</u>	<u>77,228.00</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	142,294.00		142,294.00
Less Accumulated Depreciation	<u>(134,220.00)</u>		<u>(134,220.00)</u>
Total Noncurrent Assets	<u>8,074.00</u>	<u>-</u>	<u>8,074.00</u>
Total Assets	<u>79,618.06</u>	<u>5,683.94</u>	<u>85,302.00</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund		586.50	586.50
Accounts Payable	15,378.20		15,378.20
Unearned Revenue	<u>3,195.00</u>	<u>446.35</u>	<u>3,641.35</u>
Total Current Liabilities	<u>18,573.20</u>	<u>1,032.85</u>	<u>19,606.05</u>
Total Liabilities	<u>18,573.20</u>	<u>1,032.85</u>	<u>19,606.05</u>
NET POSITION:			
Net Investment in Capital Assets	8,074.00		8,074.00
Unrestricted	<u>52,970.86</u>	<u>4,651.09</u>	<u>57,621.95</u>
Total Net Position	<u>\$ 61,044.86</u>	<u>\$ 4,651.09</u>	<u>\$ 65,695.95</u>

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2022

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>School Care</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Program Revenues		\$ 856.12	\$ 856.12
Other Revenue	\$ 14,850.41		14,850.41
Total Operating Revenues	<u>14,850.41</u>	<u>856.12</u>	<u>15,706.53</u>
OPERATING EXPENSES:			
Cost of Goods Sold - Reimbursable Programs	93,307.80		93,307.80
Cost of Goods Sold - Non-Reimbursable Programs	4,974.00		4,974.00
Salaries		4,445.90	4,445.90
Other Purchased Services	111,551.01		111,551.01
Purchased Property Services	11,000.00		11,000.00
Operations and Maintenance	597.35		597.35
General Supplies		250.19	250.19
Miscellaneous	1,176.14		1,176.14
Depreciation	1,488.00		1,488.00
Total Operating Expenses	<u>224,094.30</u>	<u>4,696.09</u>	<u>228,790.39</u>
Operating Loss	<u>(209,243.89)</u>	<u>(3,839.97)</u>	<u>(213,083.86)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	3,943.28		3,943.28
Federal Sources:			
National School Lunch Program	168,157.48		168,157.48
National School Breakfast Program	67,120.79		67,120.79
Food Distribution Program	15,376.80		15,376.80
Pandemic EBT Administrative Costs	1,242.00		1,242.00
Interest	29.88	7.06	36.94
Total Non-Operating Revenues (Expenses)	<u>255,870.23</u>	<u>7.06</u>	<u>255,877.29</u>
Change in Net Position	<u>46,626.34</u>	<u>(3,832.91)</u>	<u>42,793.43</u>
Net Position -- July 1	51,646.00	8,484.00	60,130.00
Prior Period Adjustment (See Note 19)	<u>(37,227.48)</u>		<u>(37,227.48)</u>
Net Position -- July 1 (Restated)	<u>14,418.52</u>	<u>8,484.00</u>	<u>22,902.52</u>
Net Position -- June 30	<u>\$ 61,044.86</u>	<u>\$ 4,651.09</u>	<u>\$ 65,695.95</u>

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ending June 30, 2022

	Business-Type Activities Enterprise Funds		
	Food Service	School Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 14,850.41	\$ 872.97	\$ 15,723.38
Payments to Employees		(4,445.90)	(4,445.90)
Payments to Suppliers	<u>(241,958.80)</u>	<u>(250.19)</u>	<u>(242,208.99)</u>
Net Cash Used for Operating Activities	<u>(227,108.39)</u>	<u>(3,823.12)</u>	<u>(230,931.51)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	5,130.60		5,130.60
Federal Sources	<u>245,568.27</u>		<u>245,568.27</u>
Net Cash Provided by Non-Capital Financing Activities	<u>250,698.87</u>	<u>-</u>	<u>250,698.87</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	<u>29.88</u>	<u>7.06</u>	<u>36.94</u>
Net Cash Provided by Investing Activities	<u>29.88</u>	<u>7.06</u>	<u>36.94</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,620.36	(3,816.06)	19,804.30
Cash and Cash Equivalents -- July 1	<u>21,371.00</u>	<u>9,500.00</u>	<u>30,871.00</u>
Cash and Cash Equivalents -- June 30	<u>\$ 44,991.36</u>	<u>\$ 5,683.94</u>	<u>\$ 50,675.30</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ <u>(209,243.89)</u>	\$ <u>(3,839.97)</u>	\$ <u>(213,083.86)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	1,488.00		1,488.00
(Increase) Decrease in Inventory	862.14		862.14
Increase (Decrease) in Accounts Payable	(20,214.64)		(20,214.64)
Increase (Decrease) in Unearned Revenue		<u>16.85</u>	<u>16.85</u>
Total Adjustments	<u>(17,864.50)</u>	<u>16.85</u>	<u>(17,847.65)</u>
Net Cash Used for Operating Activities	<u>\$ (227,108.39)</u>	<u>\$ (3,823.12)</u>	<u>\$ (230,931.51)</u>

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through 8. The School District has an approximate enrollment at June 30, 2022 of 351.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

School Care Fund - This fund accounts for the financial activity related to before and after school program services.

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

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

Budgets / Budgetary Control

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

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

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

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets**

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Amortization on lease assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Facility and Improvements	20-50 Years
Transportation	8-10 Years
Machinery & Equipment	5-15 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans and postemployment benefit plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account.

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

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

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

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

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Because of the implementation of GASB Statement No. 87, the School District has determined that lease agreements in the prior fiscal year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement (notes 6 and 7).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2022, the School District's bank balances of \$3,246,681.37 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,192,435.80
Uninsured and Uncollateralized	<u>54,245.57</u>
Total	<u><u>\$ 3,246,681.37</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on October 11, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2021	\$ 505,403.00
Increased by:	
Interest Earnings	<u>1.00</u>
Ending Balance, June 30, 2022	<u><u>\$ 505,404.00</u></u>

The June 30, 2022, LRFP balance of local support costs of uncompleted projects at June 30, 2022 exceed the capital reserve balance at June 30, 2022.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 4: ACCOUNTS RECEIVABLE (CONT'D)

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

Description	Governmental Funds		Proprietary Funds			Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities	
Federal Awards		\$ 115,482.33	\$ 115,482.33	\$ 18,970.64	\$ 18,970.64	\$ 134,452.97
State Awards	\$ 350,899.04		350,899.04	320.46	320.46	351,219.50
Tuition Charges	1,898.12		1,898.12		-	1,898.12
Other Accounts Receivable	586.50		586.50	6,685.74	6,685.74	7,272.24
	<u>\$ 353,383.66</u>	<u>\$ 115,482.33</u>	<u>\$ 468,865.99</u>	<u>\$ 25,976.84</u>	<u>\$ 25,976.84</u>	<u>\$ 494,842.83</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2022 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	<u>\$ 575.86</u>
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Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	(Restated) Balance July 1, 2021	Increases	Decreases	Adjustments	Balance June 30, 2022
Governmental Activities:					
Capital Assets, not being Depreciated and Amortized:					
Land	\$ 781,429.00				\$ 781,429.00
Construction in Progress		\$ 2,763,729.20			2,763,729.20
Total Capital Assets, not being Depreciated and Amortized	<u>781,429.00</u>	<u>2,763,729.20</u>	<u>-</u>	<u>-</u>	<u>3,545,158.20</u>
Capital Assets, being Depreciated and Amortized:					
Facility and Improvements	7,123,971.00				7,123,971.00
Transportation	728,163.00		\$ (130,568.00)		597,595.00
Lease Assets - Equipment	96,423.71				96,423.71
Machinery and Equipment	573,953.00	102,297.30		\$ (142,294.00)	533,956.30
Total Capital Assets, being Depreciated and Amortized	<u>8,522,510.71</u>	<u>102,297.30</u>	<u>(130,568.00)</u>	<u>(142,294.00)</u>	<u>8,351,946.01</u>
Total Capital Assets, Cost	<u>9,303,939.71</u>	<u>2,866,026.50</u>	<u>(130,568.00)</u>	<u>(142,294.00)</u>	<u>11,897,104.21</u>
Less Accumulated Depreciation and Amortization	<u>(6,825,287.48)</u>	<u>(212,357.72)</u>	<u>117,511.00</u>	<u>132,732.00</u>	<u>(6,787,402.20)</u>
Total Capital Assets, being Depreciated and Amortized, Net	<u>1,697,223.23</u>	<u>(110,060.42)</u>	<u>(13,057.00)</u>	<u>(9,562.00)</u>	<u>1,564,543.81</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,478,652.23</u>	<u>\$ 2,653,668.78</u>	<u>\$ (13,057.00)</u>	<u>\$ (9,562.00)</u>	<u>\$ 5,109,702.01</u>

Note 6: CAPITAL ASSETS (CONT'D)

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery & Equipment	\$ 142,294.00				\$ 142,294.00
Less Accumulated Depreciation for:					
Machinery & Equipment	(132,732.00)	\$ (1,488.00)			(134,220.00)
Business-Type Activities Capital Assets, Net	<u>\$ 9,562.00</u>	<u>\$ (1,488.00)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,074.00</u>

Depreciation and amortization expense were charged to functions / programs of the School District as follows:

Governmental Activities:		
Unallocated		<u>\$ 212,357.72</u>
Business-Type Activities:		
Food Service		<u>\$ 1,488.00</u>

Note 7: LONG-TERM LIABILITIES

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

	<u>(Restated)</u> <u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 3,543,000.00			\$ 3,543,000.00	\$ 153,000.00
Total Bonds Payable	<u>3,543,000.00</u>	<u>-</u>	<u>-</u>	<u>3,543,000.00</u>	<u>153,000.00</u>
Other Liabilities:					
Lease Liability	83,876.10		\$ (18,875.27)	65,000.83	19,160.36
Compensated Absences	136,606.00	\$ 44,993.15	(9,118.54)	172,480.61	31,428.96
Net Pension Liability (note 8)	863,884.00	659,798.00	(993,333.00)	530,349.00	
Total Other Liabilities	<u>1,084,366.10</u>	<u>704,791.15</u>	<u>(1,021,326.81)</u>	<u>767,830.44</u>	<u>50,589.32</u>
Governmental Activities Long-Term Liabilities	<u>\$ 4,627,366.10</u>	<u>\$ 704,791.15</u>	<u>\$ (1,021,326.81)</u>	<u>\$ 4,310,830.44</u>	<u>\$ 203,589.32</u>

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

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

On January 26, 2021, the School District issued \$3,543,000.00 general obligation bonds at interest rates varying from 1.50% to 1.875% for the completion various capital improvement projects including roof restoration. The final maturity of these bonds is September 15, 2040. The bonds will be paid from property taxes.

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 153,000.00	\$ 58,366.26	\$ 211,366.26
2024	150,000.00	56,093.76	206,093.76
2025	155,000.00	53,806.26	208,806.26
2026	155,000.00	51,481.26	206,481.26
2027	160,000.00	49,118.76	209,118.76
2028-2032	875,000.00	205,531.30	1,080,531.30
2033-2037	1,000,000.00	124,343.80	1,124,343.80
2038-2041	895,000.00	32,440.66	927,440.66
Total	<u>\$ 3,543,000.00</u>	<u>\$ 631,182.06</u>	<u>\$ 4,174,182.06</u>

Bonds Authorized but not Issued - As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

Lease Liability - The School District's payments on lease liabilities are budgeted and paid from the general fund on an annual basis.

Lease agreements are summarized as follows:

<u>Description</u>	<u>Payment</u> <u>Amount</u>	<u>Total Lease</u> <u>Liability</u>	<u>(Restated)</u> <u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Canon Copier Lease	\$ 1,667.00	\$ 96,423.71	\$ 83,876.10		\$ (18,875.27)	\$ 65,000.83	\$ 19,160.36
			<u>\$ 83,876.10</u>	<u>\$ -</u>	<u>\$ (18,875.27)</u>	<u>\$ 65,000.83</u>	<u>\$ 19,160.36</u>

The School District leased copiers, beginning on November 1, 2020 for a term of five years. The implied interest rate is based on the School District's estimated incremental borrowing rate of 1.50%.

Annual requirements to amortize lease obligations and related interest are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 19,160.36	\$ 843.64	\$ 20,004.00
2024	19,449.75	554.25	20,004.00
2025	19,743.51	260.49	20,004.00
2026	6,647.21	20.79	6,668.00
	<u>\$ 65,000.83</u>	<u>\$ 1,679.17</u>	<u>\$ 66,680.00</u>

Lease Liabilities are amortized in a manner consistent with the School District's depreciation policy for owned assets.

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

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: PENSION PLANS

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

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

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

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

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

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

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 23.90% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$694,999.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$220,357.11.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 13.20% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$54,003.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$34,599.60.

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

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2022, employee contributions totaled \$2,712.16, and the School District recognized pension expense, which equaled the required contributions, of \$1,479.36. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District		11,401,495.00
		<u>11,401,495.00</u>
	\$	<u>11,401,495.00</u>

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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0237159644%, which was a decrease of 0.0007175678% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$268,282.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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

Pension Liability - At June 30, 2022, the School District reported a liability of \$530,349.00 for its proportionate share of the net pension liability for PERS. 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was 0.044768400%, which was a decrease of 0.0008206620% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) expense of \$(228,820.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 8,364.00	\$ 3,797.00
Changes of Assumptions	2,762.00	188,808.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	139,708.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	68,955.00	435,152.00
School District Contributions Subsequent to the Measurement Date	54,003.00	-
	<u>\$ 134,084.00</u>	<u>\$ 767,465.00</u>

Deferred outflows of resources in the amount of \$54,003.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023.

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

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

Fiscal Year	
<u>Ending June 30,</u>	
2023	\$ (251,712.00)
2024	(340,416.00)
2025	542.00
2026	(91,277.00)
2027	<u>(4,521.00)</u>
	<u>\$ (687,384.00)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 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, 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	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
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		
Year of Pension Plan Deferral:		
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

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

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2020. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

⁽¹⁾ based on years of service

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

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

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

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

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market 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 -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 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.

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (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	13,489,873.00	11,401,495.00	9,647,389.00
	<u>\$ 13,489,873.00</u>	<u>\$ 11,401,495.00</u>	<u>\$ 9,647,389.00</u>

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

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2021, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 722,228.00</u>	<u>\$ 530,349.00</u>	<u>\$ 367,513.00</u>

Pension Plan Fiduciary Net Position

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

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

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

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

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

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

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

Employees Covered by Benefit Terms - At June 30, 2021, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u><u>364,328</u></u>

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$16,678,350.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0277937059%, which was an increase of 0.0004847467% from its proportion measured as of June 30, 2020.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

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

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 "General" classification and PUB-2010 Health "Teachers" classification headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled 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.

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 a 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 measurement date 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.

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

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

Balance at June 30, 2021		\$ 18,518,195.00
Changes for the Year:		
Service Cost	\$ 757,417.00	
Interest Cost	432,654.00	
Changes in Benefit Terms	(17,752.00)	
Difference between Expected and Actual Experience	(2,698,869.00)	
Changes in Assumptions	16,454.00	
Member Contributions	11,061.00	
Gross Benefit Payments	<u>(340,810.00)</u>	
Net Changes		<u>(1,839,845.00)</u>
Balance at June 30, 2022		<u>\$ 16,678,350.00</u>

Benefit changes: the change in liability for the measurement period from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2020 to June 30, 2021 due to changes in the census.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2020 to June 30, 2021 is due to the combined effect of the decrease in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021; and changes in the trend, salary scale, and updated mortality projection scale.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 19,978,045.00</u>	<u>\$ 16,678,350.00</u>	<u>\$ 14,080,038.00</u>

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

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 13,501,179.00	\$ 16,678,350.00	\$ 20,945,057.00

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

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$694,064.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2022, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 2,514,187.00	\$ 5,005,469.00
Changes of Assumptions	2,829,271.00	1,789,432.00
Changes in Proportion	271,858.00	999,961.00
	<u>\$ 5,615,316.00</u>	<u>\$ 7,794,862.00</u>

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

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

Fiscal Year Ending June 30,	
2023	\$ (448,837.00)
2024	(448,837.00)
2025	(448,837.00)
2026	(448,837.00)
2027	(351,596.00)
Thereafter	<u>(32,602.00)</u>
	<u>\$ (2,179,546.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$910,305.00, \$12,843.00, \$215,685.00, and \$224.00, respectively.

Note 11: RISK MANAGEMENT

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

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

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

Note 11: RISK MANAGEMENT (CONT'D)

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

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

New Jersey Schools Insurance Group
 P.O. Box 489
 Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
 Oppenheimer Funds

Note 13: COMPENSATED ABSENCES

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

Note 13: COMPENSATED ABSENCES (CONT'D)

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$172,480.61.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2022 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 586.50	\$ 143,920.37
Special Revenue	137,234.63	
Food Service	6,685.74	
School Care		586.50
	<u>\$ 144,506.87</u>	<u>\$ 144,506.87</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

<u>Transfer Out:</u>	<u>Transfer In:</u>
	<u>Special Revenue</u>
General Fund	<u>\$ 106,040.00</u>

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$(1,650.00) in the special revenue fund as of June 30, 2022, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$(1,650.00) is equal to the June state aid payment.

Note 18: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The District did not have any nonspendable fund balances as of June 30, 2022.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

For Capital Reserve Account - As of June 30, 2022, the balance in the capital reserve account is \$505,404.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$394,454.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$100,000.00 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2022, \$100,000.00 and \$100,000.00 have been restricted for the contract years 2020-2021 and 2021-2022, respectively.

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd)**

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$240,986.76. Additionally, \$140,427.00 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

Special Revenue Fund

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$13,497.43.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$56,157.53.

Capital Projects Fund - On January 26, 2021, the School District issued \$3,543,000.00 of school bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board on January 6, 2021. The Bonds were authorized by a proposal adopted by the Board on August 19, 2020 and approved by the voters of the School District at an election held on November 3, 2020. The bond issuance was approved by the voters for various capital improvements including roof restoration. As of June 30, 2022, the restricted fund balance amount was \$687,236.37.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023 \$0.19 of debt service fund balance at June 30, 2022.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The District did not have any committed fund balances as of June 30, 2022.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023 \$82,448.00 of general fund balance at June 30, 2022.

Note 18: FUND BALANCES (CONT'D)**ASSIGNED (CONT'D)**

Other Purposes - As of June 30, 2022, the School District had \$72,071.78 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2022, \$357,035.48.48 of general fund balance was unassigned.

Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION

The School District's June 30, 2021 financial statements were restated because accounts payables existed that were not identified. As a result, the following net positions as of July 1, 2021 have been restated. The following tables illustrate the restatements:

	Business-Type Activities
Beginning Net Position as Previously Reported at July 1, 2021	\$ 60,130.00
Prior Period Adjustment:	
Reclassification of Prior Period Accounts Payable	<u>(37,227.48)</u>
Net Position as Restated, July 1, 2021	<u>\$ 22,902.52</u>

	Food Service Fund
Beginning Net Position as Previously Reported at July 1, 2021	\$ 51,646.00
Prior Period Adjustment:	
Reclassification of Prior Period Accounts Payable	<u>(37,227.48)</u>
Net Position as Restated, July 1, 2021	<u>\$ 14,418.52</u>

Note 20: SUBSEQUENT EVENTS

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,607,261.00		\$ 4,607,261.00	\$ 4,607,261.00	
Tuition from Individuals	15,000.00		15,000.00	-	\$ (15,000.00)
Transportation Fees from Other LEAs within the State	20,000.00		20,000.00		(20,000.00)
Interest on Investments	26.00		26.00	12,148.55	12,122.55
Rentals	53,000.00		53,000.00	55,854.00	2,854.00
Miscellaneous Revenue from Local Sources	5,000.00		5,000.00	23,763.98	18,763.98
Total - Local Sources	4,700,287.00	-	4,700,287.00	4,699,027.53	(1,259.47)
State Sources:					
School Choice Aid	236,950.00		236,950.00	236,950.00	
Categorical Transportation Aid	271,073.00		271,073.00	271,073.00	
Extraordinary Aid				79,985.00	79,985.00
Categorical Special Education Aid	300,139.00		300,139.00	300,139.00	
Equalization Aid	1,878,291.00		1,878,291.00	1,878,291.00	
Categorical Security Aid	55,469.00		55,469.00	55,469.00	
Maintenance of Equity				255,957.00	255,957.00
Non-Public Transportation				4,640.00	4,640.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				910,305.00	910,305.00
Non-Contributory Insurance				12,843.00	12,843.00
Post-Retirement Medical				215,685.00	215,685.00
Long-Term Disability Insurance Contribution				224.00	224.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				209,216.91	209,216.91
Total - State Sources	2,741,922.00	-	2,741,922.00	4,430,777.91	1,688,855.91
Total Revenues	7,442,209.00	-	7,442,209.00	9,129,805.44	1,687,596.44
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	10,668.00	\$ (10,449.04)	218.96		218.96
Kindergarten	180,661.00	74,087.52	254,748.52	253,980.40	768.12
Grades 1-5	1,155,936.00	(78,260.93)	1,077,675.07	1,077,675.07	
Grades 6-8	640,238.00	(36,094.87)	604,143.13	604,108.00	35.13
Home Instruction:					
Salaries of Teachers		910.00	910.00	910.00	
Purchased Technical Services	5,000.00	(4,607.90)	392.10		392.10
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	2,162.00	(1,483.50)	678.50	558.00	120.50
Purchased Technical Services	41,000.00	3,270.70	44,270.70	43,980.45	290.25
Other Purchased Services (400-500 series)	22,200.00	(2,155.22)	20,044.78	20,044.78	
General Supplies	65,410.60	53,936.13	119,346.73	118,251.83	1,094.90
Textbooks	15,500.00	(14,730.70)	769.30	638.64	130.66
Total - Regular Programs	2,138,775.60	(15,577.81)	2,123,197.79	2,120,147.17	3,050.62
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	167,633.00	42,912.12	210,545.12	210,545.12	
Other Salaries for Instruction	67,520.00	(42,912.12)	24,607.88	22,680.00	1,927.88
General Supplies	2,424.80	(809.00)	1,615.80	1,615.36	0.44
Total Special Education Instruction - Resource Room/Resource Center	237,577.80	(809.00)	236,768.80	234,840.48	1,928.32
Total - Special Education	237,577.80	(809.00)	236,768.80	234,840.48	1,928.32
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	5,277.00	27,845.00	33,122.00	33,122.00	
Total - Basic Skills/Remedial - Instruction	5,277.00	27,845.00	33,122.00	33,122.00	-
Bilingual Education - Instruction:					
Salaries of Teachers	63,220.00	(51,387.80)	11,832.20	10,115.20	1,717.00
General Supplies	350.00	(350.00)			
Total Bilingual Education - Instruction	63,570.00	(51,737.80)	11,832.20	10,115.20	1,717.00
School-Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	40,000.00	(8,256.73)	31,743.27	31,743.27	
Supplies and Materials	500.00		500.00		500.00
Total - School-Sponsored Co/Extra-Curricular Activities - Instruction	40,500.00	(8,256.73)	32,243.27	31,743.27	500.00

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
School - Sponsored Athletics					
Salaries	\$ 12,000.00	\$ (7,705.00)	\$ 4,295.00	\$ 4,225.00	\$ 70.00
Purchased Services (300-500 series)	5,000.00	(1,295.00)	3,705.00	1,750.00	1,955.00
Supplies and Materials	300.00		300.00	64.01	235.99
Other Objects	650.00	(200.00)	450.00	400.00	50.00
Total - School - Sponsored Athletics	<u>17,950.00</u>	<u>(9,200.00)</u>	<u>8,750.00</u>	<u>6,439.01</u>	<u>2,310.99</u>
TOTAL INSTRUCTION	<u>2,503,650.40</u>	<u>(57,736.34)</u>	<u>2,445,914.06</u>	<u>2,436,407.13</u>	<u>9,506.93</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	1,288,904.00	(105,379.80)	1,183,524.20	1,181,551.08	1,973.12
Tuition to Other LEA's Within the State - Special	179,548.00	(8,477.63)	171,070.37	170,548.00	522.37
Tuition to County Vocational School	129,700.00	(24,670.00)	105,030.00	105,030.00	
Tuition to County Special Services and Regional Day Schools	128,210.00	(88,166.08)	40,043.92	29,987.00	10,056.92
Tuition to Private Schools for the Disabled within the State	79,854.00	(31,481.08)	48,372.92	47,990.49	382.43
Contribution of Funds to Charter Schools	68,154.00		68,154.00	54,461.00	13,693.00
Total - Undistributed Expenditures - Instruction	<u>1,874,370.00</u>	<u>(258,174.59)</u>	<u>1,616,195.41</u>	<u>1,589,567.57</u>	<u>26,627.84</u>
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	21,302.00	(14,206.61)	7,095.39	7,095.39	
Total - Undistributed Expenditures - Attendance and Social Work Services	<u>21,302.00</u>	<u>(14,206.61)</u>	<u>7,095.39</u>	<u>7,095.39</u>	<u>-</u>
Undistributed Expenditures - Social Worker:					
Salaries		16,312.40	16,312.40	16,312.40	
Total - Undistributed Expenditures - Social Worker	<u>-</u>	<u>16,312.40</u>	<u>16,312.40</u>	<u>16,312.40</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	67,520.00	(7,717.26)	59,802.74	59,802.74	
Purchased Professional and Technical Services	6,000.00	(2,192.96)	3,807.04	3,500.00	307.04
Supplies and Materials	3,000.00	(600.00)	2,400.00	2,110.54	289.46
Other Objects	150.00		150.00	150.00	
Total - Undistributed Expenditures - Health Services	<u>76,670.00</u>	<u>(10,510.22)</u>	<u>66,159.78</u>	<u>65,413.28</u>	<u>746.50</u>
Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services:					
Salaries	33,210.00	(5,426.28)	27,783.72	27,309.72	474.00
Purchased Professional Educational Services	35,000.00	(3,091.50)	31,908.50	16,979.28	14,929.22
Supplies and Materials		253.72	253.72	235.65	18.07
Total - Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services	<u>68,210.00</u>	<u>(8,264.06)</u>	<u>59,945.94</u>	<u>44,524.65</u>	<u>15,421.29</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Service:					
Salaries	25,944.00	13,380.50	39,324.50	39,324.50	
Purchased Professional - Educational Services	76,650.00	26,274.33	102,924.33	102,280.25	644.08
Total Undistributed Expenditures - Other Support Services - Students Extraordinary Service	<u>102,594.00</u>	<u>39,654.83</u>	<u>142,248.83</u>	<u>141,604.75</u>	<u>644.08</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	40,880.00	30,840.00	71,720.00	71,720.00	
Supplies and Materials	400.00	(400.00)			
Total Undistributed Expenditures - Guidance	<u>41,280.00</u>	<u>30,440.00</u>	<u>71,720.00</u>	<u>71,720.00</u>	<u>-</u>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	43,854.00	10,493.99	54,347.99	54,347.99	
Salaries of Secretarial and Clerical Assistants	12,964.00	(575.00)	12,389.00	11,960.00	429.00
Purchased Professional Educational Services	12,000.00	18,393.98	30,393.98	27,044.11	3,349.87
Other Purchased Professional and Technical Services	3,150.00	575.00	3,725.00	3,725.00	
Supplies and Materials	1,500.00	2,031.90	3,531.90	3,531.90	
Other Objects	150.00	(96.00)	54.00	54.00	54.00
Total Undistributed Expenditures - Child Study Team	<u>73,618.00</u>	<u>30,823.87</u>	<u>104,441.87</u>	<u>100,609.00</u>	<u>3,832.87</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salary of Supervisor of Instruction	48,141.00	31,069.12	79,210.12	79,112.70	97.42
Purchased Professional Educational Services	1,100.00	59.65	1,159.65	1,159.65	
Other Purchased Professional and Technical Services	25,000.00		25,000.00	25,000.00	
Total Undistributed Expenditures- Improvement of Instruction Services	<u>74,241.00</u>	<u>31,128.77</u>	<u>105,369.77</u>	<u>105,272.35</u>	<u>97.42</u>

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	\$ 15,000.00	\$ (14,376.48)	\$ 623.52	\$ 623.52	
Purchased Professional and Technical Services	3,925.00	118.00	4,043.00	4,043.00	
Supplies and Materials	3,500.00	(494.43)	3,005.57	2,712.94	\$ 292.63
Total Undistributed Expenditures - Educational Media Services/School Library	22,425.00	(14,752.91)	7,672.09	7,379.46	292.63
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	40,000.00	10,477.89	50,477.89	50,178.89	299.00
Salaries of Secretarial and Clerical Assistants	15,000.00	(13,417.19)	1,582.81	975.00	607.81
Purchased Professional - Educational Services	6,000.00	(6,000.00)			
Other Purchased Professional and Technical Services	1,400.00		1,400.00	650.00	750.00
Other Purchases Services (400-500 series)	5,000.00		5,000.00	4,543.75	456.25
Travel - All Other		151.87	151.87	151.87	
Total - Undistributed Expenditures - Instructional Staff Training Services:	67,400.00	(8,787.43)	58,612.57	56,499.51	2,113.06
Undistributed Expenditures - Support Services - General Administration:					
Salaries	102,417.00	(1,421.02)	100,995.98	99,513.54	1,482.44
Legal Services	20,000.00	57,058.24	77,058.24	77,020.71	37.53
Audit Fees	15,000.00	4,220.00	19,220.00	18,610.00	610.00
Architectural/Engineering Services	10,000.00	(9,994.60)	5.40		5.40
Other Purchased Professional Services	6,000.00	2,314.42	8,314.42	8,314.42	
Purchased Technical Services	720.00	730.00	1,450.00	1,450.00	
Communications / Telephone	30,000.00	22,647.86	52,647.86	50,787.15	1,860.71
Miscellaneous Purchased Services	15,770.00	3,550.33	19,320.33	18,629.75	690.58
General Supplies	6,027.26	(2,533.28)	3,493.98	3,226.98	267.00
Miscellaneous Expenditures	3,550.00	1,609.00	5,159.00	5,059.00	100.00
BOE Membership Dues and Fees	5,150.00	(3,684.00)	1,466.00	1,465.57	0.43
Total Undistributed Expenditures - Support Services - General Administration	214,634.26	74,496.95	289,131.21	284,077.12	5,054.09
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	66,260.00	(21,013.93)	45,246.07	45,093.43	152.64
Salaries of Secretarial and Clerical Assistants	15,539.00	12,910.36	28,449.36	28,449.36	
Other Salaries	500.00		500.00		500.00
Purchased Professional and Technical Services	21,600.00	(1,347.67)	20,252.33	19,482.46	769.87
Supplies and Materials	7,062.34	1,194.96	8,257.30	7,750.73	506.57
Other Objects	1,900.00	(38.04)	1,861.96	1,335.00	526.96
Total Undistributed Expenditures- Support Services - School Administration	112,861.34	(8,294.32)	104,567.02	102,110.98	2,456.04
Undistributed Expenditures - Central Services:					
Salaries	87,750.00	4,050.00	91,800.00	91,800.00	
Purchased Technical Services	13,000.00	2,859.85	15,859.85	15,859.85	
Miscellaneous Purchased Services	1,000.00	5,981.85	6,981.85	6,981.85	
Supplies and Materials	1,700.00	884.80	2,584.80	2,076.83	507.97
Miscellaneous Expenditures		5,214.85	5,214.85	5,214.85	
Total Undistributed Expenditures - Central Services	103,450.00	18,991.35	122,441.35	121,933.38	507.97
Undistributed Expenditures - Administrative Information Technology:					
Salaries	13,018.00	5,060.59	18,078.59	18,078.59	
Purchased Technical Services	16,000.00	4,000.00	20,000.00	20,000.00	
Total Undistributed Expenditures - Administrative Information Technology	29,018.00	9,060.59	38,078.59	38,078.59	-
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	30,025.00	974.98	30,999.98	30,999.98	
Cleaning, Repair, and Maintenance Services	95,204.95	36,334.29	131,539.24	130,169.24	1,370.00
General Supplies	6,000.00	18,609.04	24,609.04	14,442.85	10,166.19
Other Objects		106.63	106.63	106.63	
Total Undistributed Expenditures - Required Maintenance for School Facilities	131,229.95	56,024.94	187,254.89	175,718.70	11,536.19
Undistributed Expenditures - Custodial Services:					
Salaries	141,554.00	8,452.79	150,006.79	150,006.79	
Purchased Professional and Technical Services	5,500.00	(218.00)	5,282.00	4,952.00	330.00
Cleaning, Repair, and Maintenance	47,407.00	(7,696.49)	39,710.51	35,479.31	4,231.20
Insurance	36,000.00	(104.98)	35,895.02	34,847.86	1,047.16
Miscellaneous Purchased Services	2,050.00	10,809.28	12,859.28	917.28	11,942.00
General Supplies	38,800.00	(5,328.50)	33,471.50	29,630.85	3,840.65
Energy (Natural Gas)	500.00	967.30	1,467.30	1,061.30	406.00
Energy (Electricity)	95,000.00		95,000.00	92,945.16	2,054.84
Total Undistributed Expenditures - Custodial Services	366,811.00	6,881.40	373,692.40	349,840.55	23,851.85

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	\$ 5,000.00	\$ (358.81)	\$ 4,641.19	\$ 1,881.00	\$ 2,760.19
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>5,000.00</u>	<u>(358.81)</u>	<u>4,641.19</u>	<u>1,881.00</u>	<u>2,760.19</u>
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services		9,050.00	9,050.00	8,558.22	491.78
General Supplies		14,482.21	14,482.21	14,482.21	
Total Undistributed Expenditures - Security	<u>-</u>	<u>23,532.21</u>	<u>23,532.21</u>	<u>23,040.43</u>	<u>491.78</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	16,811.00	4,938.65	21,749.65	19,601.30	2,148.35
Salaries for Pupil Transportation (Between Home and School) - Regular	46,049.00	(9,885.28)	36,163.72	35,184.09	979.63
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	32,043.00	19,282.66	51,325.66	51,325.66	
Salaries for Pupil Transportation (Other than Between Home and School)	6,000.00	(4,960.66)	1,039.34		1,039.34
Other Purchased Professional and Technical Services	2,800.00	(1,000.00)	1,800.00	1,440.00	360.00
Cleaning, Repair, and Maintenance Services	18,000.00	(169.88)	17,830.12	17,830.12	
Aid in Lieu - Non-Public	23,000.00	284.00	23,284.00	23,284.00	
Aid in Lieu - School Choice	2,000.00	(2,000.00)			
Contracted Services (Between Home and School) - Vendors	365,980.00	(68,656.00)	297,324.00	295,693.47	1,630.53
Contracted Services (Other Than Between Home and School) - Vendors	3,000.00	(1,209.60)	1,790.40		1,790.40
Contracted Services (Between Home and School) - Joint Agreements	17,500.00		17,500.00	17,428.94	71.06
Contracted Services (Special Education) - Joint Agreements	75,000.00	(71,665.53)	3,334.47	2,243.00	1,091.47
Contracted Services (Special Education) - ESCs and CTAs	29,470.75	29,470.75	29,470.75	25,333.80	4,136.95
Miscellaneous Purchased Services - Transportation	25,700.00	(25,499.99)	200.01	200.00	0.01
General Supplies	15,000.00	(2,648.82)	12,351.18	9,928.84	2,422.34
Total Undistributed Expenditures - Student Transportation Services	<u>648,883.00</u>	<u>(133,719.70)</u>	<u>515,163.30</u>	<u>499,493.22</u>	<u>15,670.08</u>
Unallocated Benefits - Employee Benefits:					
Group Insurance					
Social Security Contributions	68,000.00	5,317.73	73,317.73	73,174.04	143.69
Other Retirement Contributions - Regular	70,000.00		70,000.00	46,796.55	23,203.45
Unemployment Compensation	10,000.00	12,480.26	22,480.26	21,584.87	895.39
Worker's Compensation	38,653.00		38,653.00	30,346.64	8,306.36
Health Benefits	826,499.00	6,597.92	833,096.92	703,159.69	129,937.23
Tuition Reimbursement	13,000.00	103.40	13,103.40	13,103.40	
Other Employee Benefits	120,000.00	32,500.00	152,500.00	151,974.10	525.90
Unused Sick Payments	20,750.00		20,750.00		20,750.00
Total Unallocated Benefits - Employee Benefits	<u>1,166,902.00</u>	<u>56,999.31</u>	<u>1,223,901.31</u>	<u>1,040,139.29</u>	<u>183,762.02</u>
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)					
Normal Cost				910,305.00	(910,305.00)
Non-Contributory Insurance				12,843.00	(12,843.00)
Post-Retirement Medical				215,685.00	(215,685.00)
Long-Term Disability Insurance Contribution				224.00	(224.00)
Reimbursed T.P.A.F. Social Security Contributions (Non-Budgeted)				209,216.91	(209,216.91)
Total On-Behalf T.P.A.F. Social Security/Pension Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,273.91</u>	<u>(1,348,273.91)</u>
Total Undistributed Expenditures	<u>5,200,899.55</u>	<u>(62,722.03)</u>	<u>5,138,177.52</u>	<u>6,190,585.53</u>	<u>(1,052,408.01)</u>
Other Current Expense					
Interest Earned on Maintenance Reserve	25.00		25.00		25.00
Total Other Current Expense	<u>25.00</u>	<u>-</u>	<u>25.00</u>	<u>-</u>	<u>25.00</u>
Total Current Expense	<u>7,704,574.95</u>	<u>(120,458.37)</u>	<u>7,584,116.58</u>	<u>8,626,992.66</u>	<u>(1,042,876.08)</u>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Interest Deposit to Capital Reserve	1.00		1.00		1.00
Construction Services	98,380.00	(70,263.40)	28,116.60		28,116.60
Assessment for Debt Service on SDA Funding	9,474.00		9,474.00	9,474.00	
Total Facilities Acquisition and Construction Services	<u>107,855.00</u>	<u>(70,263.40)</u>	<u>37,591.60</u>	<u>9,474.00</u>	<u>28,117.60</u>
Undistributed Expenditures - Equipment:					
Grades 1-5	6,000.00	12,358.81	18,358.81	18,358.81	
Grades 6-8	6,000.00	12,358.81	18,358.81	18,358.81	
Grades 9-12		48,571.15	48,571.15	9,216.66	39,354.49
Resource Room/Resource Center	7,500.00	(7,500.00)			
Basic Skills/Remedial - Instruction		7,318.00	7,318.00	7,318.00	
Total Undistributed Expenditures - Equipment	<u>19,500.00</u>	<u>73,106.77</u>	<u>92,606.77</u>	<u>53,252.28</u>	<u>39,354.49</u>

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Capital Outlay (Cont'd):					
Undistributed Expenditures - Operations/Maintenance					
Required Maintenance		\$ 11,575.00	\$ 11,575.00	\$ 11,575.00	
Total Undistributed Expenditures - Operations/Maintenance	-	11,575.00	11,575.00	11,575.00	-
Total Capital Outlay	\$ 127,355.00	14,418.37	141,773.37	74,301.28	\$ 67,472.09
Total Expenditures	7,831,929.95	(106,040.00)	7,725,889.95	8,701,293.94	(975,403.99)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(389,720.95)	106,040.00	(283,680.95)	428,511.50	712,192.45
Other Financing Sources (Uses):					
Transfer to Special Revenue Fund - Preschool Expansion		106,040.00	(106,040.00)	(106,040.00)	
Total Other Financing Sources (Uses)	-	106,040.00	(106,040.00)	(106,040.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(389,720.95)		(389,720.95)	322,471.50	712,192.45
Fund Balances, July 1	1,945,446.00		1,945,446.00	1,945,446.00	
Fund Balances, June 30	\$ 1,555,725.05	\$ -	\$ 1,555,725.05	\$ 2,267,917.50	\$ 712,192.45
Recapitulation:					
Restricted:					
Capital Reserve				\$ 505,404.00	
Maintenance Reserve				394,454.00	
Tuition Reserve				100,000.00	
Tuition Reserve Designated for Subsequent Year's Expenditures				100,000.00	
Excess Surplus				240,986.76	
Excess Surplus Designated for Subsequent Year's Expenditures				140,427.00	
Assigned:					
Designated for Subsequent Year's Expenditures:					
General Fund Balance				82,448.00	
Encumbrances				72,071.78	
Unassigned Fund Balance				632,125.96	
				2,267,917.50	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				275,090.48	
Fund Balance per Governmental Funds (GAAP)				\$ 1,992,827.02	

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ending June 30, 2022

	Original Budget	Budget Transfers	Original/ Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources	\$ 16,500.00	\$ 846,284.00	\$ 862,784.00	\$ 589,641.90	\$ (273,142.10)
Federal Sources	173,483.00	819,639.28	993,122.28	943,222.43	(49,899.85)
Other Sources	<u>5,000.00</u>	<u>6,700.00</u>	<u>11,700.00</u>	<u>50,731.86</u>	<u>39,031.86</u>
Total Revenues	<u>194,983.00</u>	<u>1,672,623.28</u>	<u>1,867,606.28</u>	<u>1,583,596.19</u>	<u>(284,010.09)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	84,487.00	272,554.68	357,041.68	332,005.08	25,036.60
Salaries for Other Instruction		141,200.00	141,200.00	123,947.12	17,252.88
Other Purchased Services	82,447.00	12,210.00	94,657.00	94,657.00	
General Supplies	<u>11,587.00</u>	<u>172,282.45</u>	<u>183,869.45</u>	<u>176,041.05</u>	<u>7,828.40</u>
Total Instruction	<u>178,521.00</u>	<u>598,247.13</u>	<u>776,768.13</u>	<u>726,650.25</u>	<u>50,117.88</u>
Support Services:					
Other Salaries		141,244.07	141,244.07	61,926.47	79,317.60
Other Employee Benefits		63,613.55	63,613.55	50,172.67	13,440.88
Purchased Educational Services		65,323.93	65,323.93	57,578.97	7,744.96
Purchased Technical Services	11,462.00	70,214.00	81,676.00	69,676.00	12,000.00
Other Purchased Services		233,122.00	233,122.00	184,928.15	48,193.85
Contracted Services		73,656.00	73,656.00	72,550.90	1,105.10
Supplies and Materials		11,393.16	11,393.16	6,311.48	5,081.68
Student Activities	<u>5,000.00</u>		<u>5,000.00</u>	<u>32,305.90</u>	<u>(27,305.90)</u>
Total Support Services	<u>16,462.00</u>	<u>658,566.71</u>	<u>675,028.71</u>	<u>535,450.54</u>	<u>139,578.17</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		11,766.20	11,766.20	11,766.20	
Non-Instructional Equipment		<u>404,043.24</u>	<u>404,043.24</u>	<u>404,043.24</u>	
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>415,809.44</u>	<u>415,809.44</u>	<u>415,809.44</u>	<u>-</u>
Total Expenditures	<u>194,983.00</u>	<u>1,672,623.28</u>	<u>1,867,606.28</u>	<u>1,677,910.23</u>	<u>189,696.05</u>
Other Financing Sources (Uses):					
Transfer from/(to) General Fund				106,040.00	(106,040.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,040.00</u>	<u>(106,040.00)</u>
Total Expenditures and Other Financing Sources (Uses)	<u>194,983.00</u>	<u>1,672,623.28</u>	<u>1,867,606.28</u>	<u>1,571,870.23</u>	<u>295,736.05</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,725.96</u>	<u>\$ 11,725.96</u>
Fund Balance -- July 1				<u>57,929.00</u>	
Fund Balance -- June 30				<u>\$ 69,654.96</u>	
Recapitulation:					
Restricted:					
Scholarship				\$ 13,497.43	
Student Activities				<u>56,157.53</u>	
Total Fund Balance				69,654.96	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				<u>1,650.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 68,004.96</u>	

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ending June 30, 2022

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 9,129,805.44	\$ 1,583,596.19
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(318,313.22)
Prior Year		7,040.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2021.	294,937.00	1,650.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	<u>(275,090.48)</u>	<u>(1,650.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,149,651.96</u>	<u>\$ 1,272,322.97</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,701,293.94	\$ 1,677,910.23
Difference - Budget to GAAP:		
The District budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(318,313.22)
Prior Year		7,040.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 8,701,293.94</u>	<u>\$ 1,366,637.01</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0044768400%	0.0052975020%	0.0068148072%	0.0060971557%	0.0070945037%	0.0079704118%	0.0085461535%	0.0080099655%	0.0073787003%
School District's Proportionate Share of the Net Pension Liability	\$ 530,349.00	\$ 863,884.00	\$ 1,227,924.00	\$ 1,200,500.00	\$ 1,651,487.00	\$ 2,360,607.00	\$ 1,918,440.00	\$ 1,499,685.00	\$ 1,410,216.00
School District's Covered Payroll (Plan Measurement Period)	\$ 347,932.00	\$ 447,900.00	\$ 484,748.00	\$ 471,468.00	\$ 537,568.00	\$ 607,384.00	\$ 645,396.00	\$ 616,780.00	\$ 565,616.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	152.43%	192.87%	253.31%	254.63%	307.21%	388.65%	297.25%	243.15%	249.32%
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%

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Nine Fiscal Years

	Fiscal Year Ended June 30,								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 54,003.00	\$ 52,429.00	\$ 57,952.00	\$ 66,288.00	\$ 60,647.00	\$ 65,723.00	\$ 70,808.00	\$ 73,474.00	\$ 66,033.00
Contributions in Relation to the Contractually Required Contribution	<u>(54,003.00)</u>	<u>(52,429.00)</u>	<u>(57,952.00)</u>	<u>(66,288.00)</u>	<u>(60,647.00)</u>	<u>(65,723.00)</u>	<u>(70,808.00)</u>	<u>(73,474.00)</u>	<u>(66,033.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 409,107.00	\$ 318,359.00	\$ 320,131.00	\$ 416,577.00	\$ 440,295.00	\$ 425,742.00	\$ 484,808.00	\$ 548,308.00	\$ 586,374.00
Contributions as a Percentage of School District's Covered Payroll	13.20%	16.47%	18.10%	15.91%	13.77%	15.44%	14.61%	13.40%	11.26%

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

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

	Measurement Date Ending June 30,								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>11,401,495.00</u>	<u>16,089,187.00</u>	<u>14,254,333.00</u>	<u>14,903,389.00</u>	<u>15,297,179.00</u>	<u>18,068,023.00</u>	<u>13,677,666.00</u>	<u>11,474,875.00</u>	<u>10,848,929.00</u>
	<u>\$ 11,401,495.00</u>	<u>\$ 16,089,187.00</u>	<u>\$ 14,254,333.00</u>	<u>\$ 14,903,389.00</u>	<u>\$ 15,297,179.00</u>	<u>\$ 18,068,023.00</u>	<u>\$ 13,677,666.00</u>	<u>\$ 11,474,875.00</u>	<u>\$ 10,848,929.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 2,979,692.00	\$ 3,119,404.00	\$ 3,145,312.00	\$ 2,936,520.00	\$ 2,907,712.00	\$ 2,779,788.00	\$ 2,774,780.00	\$ 2,584,368.00	\$ 2,499,596.00
School District's Proportionate Share of the Net Pension Liability 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%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	382.64%	515.78%	453.19%	507.52%	526.09%	649.98%	492.93%	444.01%	434.03%
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%

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

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

This schedule is not applicable.

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

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Five Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 757,417.00	\$ 442,903.00	\$ 410,153.00
Interest Cost	432,654.00	427,078.00	525,210.00
Changes in Benefits	(17,652.00)		
Difference Between Expected and Actual Experience	(2,698,869.00)	2,663,902.00	(2,180,757.00)
Changes in Assumptions	16,454.00	3,382,638.00	177,643.00
Member Contributions	11,061.00	9,772.00	10,841.00
Gross Benefit Payments	(340,810.00)	(322,387.00)	(365,733.00)
Net Change in Total Non-Employer OPEB Liability	(1,839,745.00)	6,603,906.00	(1,422,643.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>18,518,195.00</u>	<u>11,914,289.00</u>	<u>13,336,932.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 16,678,450.00</u>	<u>\$ 18,518,195.00</u>	<u>\$ 11,914,289.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 3,012,525.00</u>	<u>\$ 2,777,303.00</u>	<u>\$ 2,990,005.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	553.64%	666.77%	398.47%

	<u>Measurement Date Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District		
Changes for the Year:		
Service Cost	\$ 485,017.00	\$ 581,616.00
Interest Cost	579,508.00	500,821.00
Changes in Benefits		
Difference Between Expected and Actual Experience	(1,725,820.00)	
Changes in Assumptions	(1,530,480.00)	(2,022,188.00)
Member Contributions	12,326.00	13,538.00
Gross Benefit Payments	(356,625.00)	(367,653.00)
Net Change in Total Non-Employer OPEB Liability	(2,536,074.00)	(1,293,866.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>15,873,006.00</u>	<u>17,166,872.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 13,336,932.00</u>	<u>\$ 15,873,006.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 3,040,547.00</u>	<u>\$ 2,878,231.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	438.64%	551.48%

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2022

Changes in Benefit Terms:

The actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting Chapter 44 provisions.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in trend update, mortality projection scale update, and salary scale.

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 a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ending June 30, 2022

	Title I - A	Title II - A	Title IV - A	I.D.E.A. Part B	I.D.E.A. Part B Preschool	ARP IDEA Basic	ARP IDEA Preschool	CARES/ ESF	CRRSA/ ESSER II	Preschool Expansion Aid	Total Carried Forward
REVENUES:											
State Sources										\$ 589,641.90	\$ 589,641.90
Federal Sources	\$ 102,355.00	\$ 17,624.00	\$ 10,000.00	\$ 94,657.00	\$ 3,621.00	\$ 13,280.00	\$ 1,134.00	\$ 35,076.00	\$ 2,500.00		280,247.00
Local Sources											-
Total Revenues	102,355.00	17,624.00	10,000.00	94,657.00	3,621.00	13,280.00	1,134.00	35,076.00	2,500.00	589,641.90	869,888.90
EXPENDITURES:											
Instruction:											
Salaries of Teachers	55,000.00	17,624.00							2,500.00	235,493.40	310,617.40
Salaries for Other Instruction				94,657.00						123,947.12	123,947.12
Other Purchased Services			10,000.00					35,076.00		63,481.05	94,657.00
General Supplies											108,557.05
Total Instruction	55,000.00	17,624.00	10,000.00	94,657.00	-	-	-	35,076.00	2,500.00	422,921.57	637,778.57
Support Services:											
Other Salaries										61,926.47	61,926.47
Other Employee Benefits										50,172.67	50,172.67
Purchased Educational Services						13,280.00	1,134.00			43,164.97	57,578.97
Purchased Technical Services	47,355.00			3,621.00							50,976.00
Contracted Services										72,550.90	72,550.90
Supplies and Materials										6,311.48	6,311.48
Total Support Services	47,355.00	-	-	-	3,621.00	13,280.00	1,134.00	-	-	234,126.49	299,516.49
Facilities Acquisition & Construction Services:											
Instructional Equipment										11,766.20	11,766.20
Non-Instructional Equipment										26,867.64	26,867.64
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	-	38,633.84	38,633.84
Total Expenditures	102,355.00	17,624.00	10,000.00	94,657.00	3,621.00	13,280.00	1,134.00	35,076.00	2,500.00	695,681.90	975,928.90
Other Financing Sources (Uses):											
Transfer from/(to) General Fund										106,040.00	106,040.00
Total Expenditures and Other Financing Sources (Uses)	102,355.00	17,624.00	10,000.00	94,657.00	3,621.00	13,280.00	1,134.00	35,076.00	2,500.00	589,641.90	869,888.90
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ending June 30, 2022

	Total Brought Forward	CRRSA/ ESSER II	ARP ESSER III	CRRSA/ Learning Acceleration	CRRSA/ Mental Health	Rural Education Achievement Program	Community Service Program	NJSBAIG	Scholarship Fund	Student Activity Fund	Totals
REVENUES:											
State Sources	\$ 589,641.90										\$ 589,641.90
Federal Sources	280,247.00	\$ 184,928.15	\$ 377,175.60	\$ 21,387.68	\$ 12,000.00	\$ 67,484.00					943,222.43
Local Sources	-						\$ 2,500.00	\$ 4,200.00	\$ 22.43	\$ 44,009.43	50,731.86
Total Revenues	869,888.90	184,928.15	377,175.60	21,387.68	12,000.00	67,484.00	2,500.00	4,200.00	22.43	44,009.43	1,583,596.19
EXPENDITURES:											
Instruction:											
Salaries of Teachers	310,617.40			21,387.68							332,005.08
Salaries for Other Instruction	123,947.12										123,947.12
Other Purchased Services	94,657.00										94,657.00
General Supplies	108,557.05					67,484.00					176,041.05
Total Instruction	637,778.57	-	-	21,387.68	-	67,484.00	-	-	-	-	726,650.25
Support Services:											
Other Salaries	61,926.47										61,926.47
Other Employee Benefits	50,172.67										50,172.67
Purchased Educational Services	57,578.97										57,578.97
Purchased Technical Services	50,976.00				12,000.00		2,500.00	4,200.00			69,676.00
Other Purchased Services	-	184,928.15									184,928.15
Contracted Services	72,550.90										72,550.90
Supplies and Materials	6,311.48										6,311.48
Student Activities	-									32,305.90	32,305.90
Total Support Services	299,516.49	184,928.15	-	-	12,000.00	-	2,500.00	4,200.00	-	32,305.90	535,450.54
Facilities Acquisition & Construction Services:											
Instructional Equipment	11,766.20										11,766.20
Non-Instructional Equipment	26,867.64		377,175.60								404,043.24
Total Facilities Acquisition & Construction Services	38,633.84	-	377,175.60	-	-	-	-	-	-	-	415,809.44
Total Expenditures	975,928.90	184,928.15	377,175.60	21,387.68	12,000.00	67,484.00	2,500.00	4,200.00	-	32,305.90	1,677,910.23
Other Financing Sources (Uses):											
Transfer from/(to) General Fund	106,040.00										106,040.00
Total Expenditures and Other Financing Sources (Uses)	869,888.90	184,928.15	377,175.60	21,387.68	12,000.00	67,484.00	2,500.00	4,200.00	-	32,305.90	1,571,870.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	22.43	11,703.53	11,725.96
Fund Balance, July 1	-	-	-	-	-	-	-	-	13,475.00	44,454.00	57,929.00
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,497.43	\$ 56,157.53	\$ 69,654.96

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Preschool Education Aid Schedule of Expenditures - Budgetary Basis
 All Programs
 For the Fiscal Year Ended June 30, 2022

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Instruction:					
Salaries of Teachers	\$ 255,380.00		\$ 255,380.00	\$ 235,493.40	\$ 19,886.60
Salaries for Other Instruction	141,200.00		141,200.00	123,947.12	17,252.88
General Supplies	26,167.00	\$ 38,102.45	64,269.45	63,481.05	788.40
Total Instruction	422,747.00	38,102.45	460,849.45	422,921.57	37,927.88
Support Services:					
Other Salaries	117,154.00	(20,909.93)	96,244.07	61,926.47	34,317.60
Personal Services - Employee Benefits	101,716.00	(38,102.45)	63,613.55	50,172.67	13,440.88
Purchased Educational Services	10,000.00	20,909.93	30,909.93	43,164.97	(12,255.04)
Purchased Technical Services	20,000.00		20,000.00		20,000.00
Contracted Services	73,656.00		73,656.00	72,550.90	1,105.10
Supplies and Materials	50,027.00	(38,633.84)	11,393.16	6,311.48	5,081.68
Total Support Services	372,553.00	(76,736.29)	295,816.71	234,126.49	61,690.22
Facilities Acquisition and Construction Services:					
Instructional Equipment		11,766.20	11,766.20	11,766.20	-
Non-Instructional Equipment		26,867.64	26,867.64	26,867.64	-
Total Facilities Acquisition and Construction Services	-	38,633.84	38,633.84	38,633.84	-
Total Expenditures	\$ 795,300.00	\$ -	\$ 795,300.00	\$ 695,681.90	\$ 99,618.10

Calculation of Budget and Carryover

Total 2021-2022 Preschool Education Aid Allocation	\$ 689,260.00
Add: Actual Preschool Education Aid Carryover June 30, 2021	-
Add: Budgeted transfer from the General Fund 2021-22	<u>106,040.00</u>
Total Preschool Education Aid Funds Available for 2021-22 Budget	795,300.00
Less: 2021-22 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(795,300.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022	-
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>99,618.10</u>
2021-22 Carryover - Preschool Education Aid	<u>\$ 99,618.10</u>
2021-22 Preschool Education Aid Carryover Budgeted in 2022-23	<u>\$ -</u>

CAPITAL PROJECTS FUND

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ending June 30, 2022

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2021-1: Various Capital Improvements including Roof Restoration	8/2021	\$ <u>3,543,000.00</u>	\$ <u>267,060.63</u>	\$ <u>2,588,703.00</u>	\$ <u>687,236.37</u>
		\$ <u>3,543,000.00</u>	\$ <u>267,060.63</u>	\$ <u>2,588,703.00</u>	\$ <u>687,236.37</u>
Reserved for Encumbrances					\$ 1,750.00
Designated for Subsequent Years' Expenditures					<u>685,486.37</u>
					\$ <u>687,236.37</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
 For the Year Ended June 30, 2022

Revenues and Other Financing Sources

Bond Proceeds	\$ <u> -</u>
Total Revenues and Other Financing Sources	<u> -</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	34,453.00
Construction Services	<u>2,556,000.00</u>
Total Expenditures and Other Financing Uses	<u>2,590,453.00</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,590,453.00)</u>
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Fund Balance, July 1, 2021	<u>3,275,939.37</u>
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Fund Balance, June 30, 2022	\$ <u><u>685,486.37</u></u>
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UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Various Capital Improvements including Roof Restoration
 From Inception and for the Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 3,543,000.00		\$ 3,543,000.00	\$ 3,543,000.00
Total Revenues and Other Financing Sources	<u>3,543,000.00</u>	<u>-</u>	<u>3,543,000.00</u>	<u>3,543,000.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 34,453.00	34,453.00	58,770.00
Construction Services	2,741,942.63	81,118.00	2,823,060.63	3,484,230.00
Total Expenditures and Other Financing Uses	<u>2,741,942.63</u>	<u>115,571.00</u>	<u>2,857,513.63</u>	<u>3,543,000.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 801,057.37</u>	<u>\$ (115,571.00)</u>	<u>\$ 685,486.37</u>	<u>\$ -</u>

Additional Project Information

Project Number	2021-1
Bond Authorization Date	11/3/2020
Bonds Authorized	\$ 3,543,000.00
Bonds Issued	\$ 3,543,000.00
Original Authorization Cost	\$ 3,543,000.00
Additional Authorized Cost	\$ -
Revised Authorization Cost	\$ 3,543,000.00
Percentage Increase over Original Authorized Cost	n/a
Percentage Completion	81%
Original Target Completion Date	8/2021
Revised Target Completion Date	6/30/23

PROPRIETARY FUNDS

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2022

	<u>Food Service</u>	<u>School Care</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 44,991.36	\$ 5,683.94	\$ 50,675.30
Accounts Receivable:			
State	320.46		320.46
Federal	18,970.64		18,970.64
Interfund Accounts Receivable	6,685.74		6,685.74
Inventory	575.86		575.86
Total Current Assets	<u>71,544.06</u>	<u>5,683.94</u>	<u>77,228.00</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	142,294.00		142,294.00
Less Accumulated Depreciation	(134,220.00)		(134,220.00)
Total Noncurrent Assets	<u>8,074.00</u>	<u>-</u>	<u>8,074.00</u>
Total Assets	<u>79,618.06</u>	<u>5,683.94</u>	<u>85,302.00</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund		586.50	586.50
Accounts Payable	15,378.20		15,378.20
Unearned Revenue	3,195.00	446.35	3,641.35
Total Current Liabilities	<u>18,573.20</u>	<u>1,032.85</u>	<u>19,606.05</u>
NET POSITION:			
Net Investment in Capital Assets	8,074.00	-	8,074.00
Unrestricted	52,970.86	4,651.09	57,621.95
Total Net Position	<u>\$ 61,044.86</u>	<u>4,651.09</u>	<u>65,695.95</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Propriety Fund
Business-Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2022

	<u>Food Service</u>	<u>School Care</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Program Fees		\$ 856.12	\$ 856.12
Miscellaneous	\$ 14,850.41		14,850.41
Total Operating Revenues	<u>14,850.41</u>	<u>856.12</u>	<u>15,706.53</u>
OPERATING EXPENSES:			
Cost of Goods Sold - Reimbursable Programs	93,307.80		93,307.80
Cost of Goods Sold - Non-Reimbursable Programs	4,974.00		4,974.00
Salaries		4,445.90	4,445.90
Purchased Services (including Fixed Price Contract)	111,551.01		111,551.01
Purchased Property Services	11,000.00		11,000.00
Operations and Maintenance	597.35		597.35
General Supplies		250.19	250.19
Miscellaneous	1,176.14		1,176.14
Depreciation	1,488.00		1,488.00
Total Operating Expenses	<u>224,094.30</u>	<u>4,696.09</u>	<u>228,790.39</u>
Operating Loss	<u>(209,243.89)</u>	<u>(3,839.97)</u>	<u>(213,083.86)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	3,943.28		3,943.28
Federal Sources:			
National School Lunch Program	168,157.48		168,157.48
National School Breakfast Program	67,120.79		67,120.79
Food Distribution Program	15,376.80		15,376.80
Pandemic EBT Administrative Costs	1,242.00		1,242.00
Interest	29.88	7.06	36.94
Total Non-Operating Revenues (Expenses)	<u>255,870.23</u>	<u>7.06</u>	<u>255,877.29</u>
Change in Net Position	46,626.34	(3,832.91)	42,793.43
Net Position -- July 1	51,646.00	8,484.00	60,130.00
Prior Period Adjustment (See Note 19)	<u>(37,227.48)</u>		<u>(37,227.48)</u>
Net Position -- July 1 (Restated)	<u>14,418.52</u>	<u>8,484.00</u>	<u>22,902.52</u>
Net Position -- June 30	<u>\$ 61,044.86</u>	<u>\$ 4,651.09</u>	<u>\$ 65,695.95</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ending June 30, 2022

	<u>Food Service</u>	<u>School Care</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 14,850.41	\$ 872.97	\$ 15,723.38
Payments to Employees		(4,445.90)	(4,445.90)
Payments to Suppliers	<u>(241,958.80)</u>	<u>(250.19)</u>	<u>(242,208.99)</u>
Net Cash Used for Operating Activities	<u>(227,108.39)</u>	<u>(3,823.12)</u>	<u>(230,931.51)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	5,130.60		5,130.60
Federal Sources	<u>245,568.27</u>		<u>245,568.27</u>
Net Cash Provided by Non-Capital Financing Activities	<u>250,698.87</u>	<u>-</u>	<u>250,698.87</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>29.88</u>	<u>7.06</u>	<u>36.94</u>
Net Cash Provided by Investing Activities	<u>29.88</u>	<u>7.06</u>	<u>36.94</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,620.36	(3,816.06)	19,804.30
Cash and Cash Equivalents -- July 1	<u>21,371.00</u>	<u>9,500.00</u>	<u>30,871.00</u>
Cash and Cash Equivalents -- June 30	<u>\$ 44,991.36</u>	<u>\$ 5,683.94</u>	<u>\$ 50,675.30</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (209,243.89)	\$ (3,839.97)	\$ (213,083.86)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	1,488.00		1,488.00
(Increase) Decrease in Inventory	862.14		862.14
Increase (Decrease) in Accounts Payable	(20,214.64)		(20,214.64)
Increase (Decrease) in Unearned Revenue	<u>-</u>	<u>16.85</u>	<u>16.85</u>
Total Adjustments	<u>(17,864.50)</u>	<u>16.85</u>	<u>(17,847.65)</u>
Net Cash Used for Operating Activities	<u>\$ (227,108.39)</u>	<u>\$ (3,823.12)</u>	<u>\$ (230,931.51)</u>

LONG-TERM DEBT

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ending June 30, 2022

<u>Series</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
2021 School Bonds	1/26/2021	\$ 3,543,000.00	9/15/22	\$ 153,000.00	1.50%				
			9/15/23	150,000.00	1.50%				
			9/15/24	155,000.00	1.50%				
			9/15/25	155,000.00	1.50%				
			9/15/26	160,000.00	1.50%				
			9/15/27	165,000.00	1.50%				
			9/15/28	170,000.00	1.50%				
			9/15/29	175,000.00	1.75%				
			9/15/30	180,000.00	1.75%				
			9/15/31	185,000.00	1.75%				
			9/15/32	190,000.00	1.75%				
			9/15/33	195,000.00	1.75%				
			9/15/34	200,000.00	1.75%				
			9/15/35	205,000.00	1.75%				
			9/15/36	210,000.00	1.75%				
			9/15/37	220,000.00	1.75%				
			9/15/38	225,000.00	1.75%				
			9/15/39	225,000.00	1.75%				
			9/15/40	225,000.00	1.875%				

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Schedule of Obligations Under Leases
 For the Fiscal Year Ended June 30, 2022

<u>Description</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>(Restated)</u>	<u>Additions Current Year</u>	<u>Reductions Current Year</u>	<u>Balance June 30, 2022</u>
			<u>Principal</u>	<u>Interest</u>		<u>Balance July 1, 2021</u>			
Canon Copiers	11/1/2020	5 Years	\$ 96,423.71	\$ 3,596.29	1.50%	\$ 83,876.10		\$ (18,875.27)	\$ 65,000.83
						<u>\$ 83,876.10</u>	<u>\$ -</u>	<u>\$ (18,875.27)</u>	<u>\$ 65,000.83</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2022

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 65,300.00	\$ 65,300.00	\$ -
EXPENDITURES:			
Regular Debt Service:			
Interest on Bonds	65,300.00	65,299.81	0.19
Total Expenditures	65,300.00	65,299.81	0.19
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	0.19	0.19
Fund Balance, July 1	-	-	-
Fund Balance, June 30	\$ -	\$ 0.19	\$ 0.19

STATISTICAL SECTION

Financial Trends Information

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 1,501,701.18	\$ (1,147,915.00)	\$ 2,665,040.00	\$ 2,967,175.00	\$ 3,104,739.00	\$ 3,164,232.00	\$ 3,092,769.00	\$ 3,312,866.00	\$ 3,231,987.00	\$ 3,335,484.00
Restricted	2,238,163.28	4,580,395.00	1,289,781.00	809,730.00	922,895.00	1,038,758.00	795,650.00	658,946.00	768,733.00	521,818.00
Unrestricted (Deficit)	(897,666.53)	(1,225,556.00)	(1,542,701.00)	(1,719,977.00)	(1,756,099.00)	(1,677,070.00)	(1,546,710.00)	(1,603,342.00)	(222,560.00)	(157,506.00)
Total Governmental Activities Net Position	\$ 2,842,197.93	\$ 2,206,924.00	\$ 2,412,120.00	\$ 2,056,928.00	\$ 2,271,535.00	\$ 2,525,920.00	\$ 2,341,709.00	\$ 2,368,470.00	\$ 3,778,160.00	\$ 3,699,796.00
Business-type Activities										
Net Investment in Capital Assets	\$ 8,074.00	\$ 9,562.00	\$ 11,050.00	\$ 18,502.00	\$ 7,990.00	\$ 8,745.00	\$ 9,500.00	\$ 11,194.00	\$ 14,064.00	\$ 16,470.00
Unrestricted (Deficit)	57,621.95	50,568.00	(2,430.00)	9,498.00	23,093.00	96,452.00	79,136.00	64,809.00	56,729.00	52,591.00
Total Business-type Activities Net Position	\$ 65,695.95	\$ 60,130.00	\$ 8,620.00	\$ 28,000.00	\$ 31,083.00	\$ 105,197.00	\$ 88,636.00	\$ 76,003.00	\$ 70,793.00	\$ 69,061.00
Government-wide										
Net Investment in Capital Assets	\$ 1,509,775.18	\$ (1,138,353.00)	\$ 2,676,090.00	\$ 2,985,677.00	\$ 3,112,729.00	\$ 3,172,977.00	\$ 3,102,269.00	\$ 3,324,060.00	\$ 3,246,051.00	\$ 3,351,954.00
Restricted	2,238,163.28	4,580,395.00	1,289,781.00	809,730.00	922,895.00	1,038,758.00	795,650.00	658,946.00	768,733.00	521,818.00
Unrestricted (Deficit)	(840,044.58)	(1,174,988.00)	(1,545,131.00)	(1,710,479.00)	(1,733,006.00)	(1,580,618.00)	(1,467,574.00)	(1,538,533.00)	(165,831.00)	(104,915.00)
Total Government-wide Net Position	\$ 2,907,893.88	\$ 2,267,054.00	\$ 2,420,740.00	\$ 2,084,928.00	\$ 2,302,618.00	\$ 2,631,117.00	\$ 2,430,345.00	\$ 2,444,473.00	\$ 3,848,953.00	\$ 3,768,857.00

Source: District Records

NOTES:

- (1) Source: ACFR Exhibit A-1
- (2) Amounts for the years 2022 through 2015 include the Implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68.
- (3) Amounts for 2022 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- (4) Amount for 2022 through 2021 includes the implementation of Governmental Accounting Standards Board- Statement No. 84, *Fiduciary Activities*.
- (5) Amount for 2022 includes the implementation of Governmental Accounting Standards Board- Statement No. 87, *Leases*.

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,833,833.42	\$ 2,226,086.00	\$ 2,178,357.00	\$ 2,072,401.00	\$ 1,888,431.00	\$ 1,854,515.00	\$ 1,727,278.00	\$ 1,824,169.00	\$ 1,690,606.00	\$ 1,877,092.00
Special Instruction	234,840.48	249,633.00	205,680.00	431,234.00	569,880.00	433,709.00	428,787.00	436,865.00	410,947.00	417,478.00
Other Special Instruction	43,237.20	98,392.00	93,867.00	134,211.00	191,419.00	174,724.00	176,572.00	155,522.00	152,740.00	159,360.00
Other Instruction	6,439.01									
School Sponsored Cocurricular Activities	31,743.27									
Support Services:										
Tuition	1,589,567.57	1,943,862.00	2,026,618.00	2,460,115.00	2,481,660.00	2,311,740.00	2,488,476.00	2,088,860.00	2,056,917.00	2,078,585.00
Student & Instruction Related Services	474,826.04	535,643.00	531,411.00	756,423.00	671,434.00	672,099.00	532,332.00	518,863.00	529,147.00	353,810.00
General Administrative Services	284,077.12	185,627.00	183,923.00	174,172.00	150,684.00	197,640.00	216,215.00	165,174.00	179,550.00	180,090.00
School Administrative Services	102,110.98	136,815.00	87,335.00	128,114.00	120,001.00	118,310.00	156,081.00	158,146.00	148,177.00	171,161.00
Central Services	160,011.97	144,939.00	144,753.00	144,759.00	136,464.00	126,137.00	137,554.00	133,441.00	133,449.00	119,188.00
Plant Operations and Maintenance	559,954.68	468,389.00	432,192.00	417,974.00	447,736.00	446,653.00	434,024.00	450,654.00	560,265.00	444,658.00
Student Transportation Services	499,493.22	592,292.00	516,414.00	508,706.00	457,414.00	415,328.00	419,370.00	390,306.00	377,295.00	348,789.00
Unallocated Benefits	2,024,505.44	2,696,747.00	2,114,100.00	2,518,441.00	3,202,470.00	2,303,563.00	2,014,832.00	1,454,366.00	1,388,656.00	1,258,022.00
Support Services	562,055.29									
Unallocated Depreciation Expense	212,357.72	208,711.00	230,092.00	272,461.00	230,885.00	234,178.00	245,703.00	259,430.00	271,531.00	237,739.00
Interest on Long Term Debt	33,841.59	59,728.00	9,474.00	9,474.00	8,635.00	11,756.00	14,341.00	14,817.00	23,046.00	42,144.00
Amortization of Debt Issue Costs										2,667.00
Total Governmental Activities Expenses	<u>9,652,895.00</u>	<u>9,546,864.00</u>	<u>8,754,216.00</u>	<u>10,028,485.00</u>	<u>10,557,113.00</u>	<u>9,300,352.00</u>	<u>8,991,565.00</u>	<u>8,050,613.00</u>	<u>7,922,326.00</u>	<u>7,690,783.00</u>
Business-type Activities:										
Food Service	224,094.30	115,667.00	103,787.00	131,984.00	138,654.00	119,239.00	131,097.00	135,311.00	150,999.00	89,050.00
School Care	4,696.09	11,625.00	26,458.00	26,426.00	33,127.00	40,650.00	46,044.00	42,006.00	38,839.00	47,466.00
Total Business-type Activities Expense	<u>228,790.39</u>	<u>127,292.00</u>	<u>130,245.00</u>	<u>158,410.00</u>	<u>171,781.00</u>	<u>159,889.00</u>	<u>177,141.00</u>	<u>177,317.00</u>	<u>189,838.00</u>	<u>136,516.00</u>
Total Government Expenses	<u>\$ 9,881,685.39</u>	<u>\$ 9,674,156.00</u>	<u>\$ 8,884,461.00</u>	<u>\$ 10,186,895.00</u>	<u>\$ 10,728,894.00</u>	<u>\$ 9,460,241.00</u>	<u>\$ 9,168,706.00</u>	<u>\$ 8,227,930.00</u>	<u>\$ 8,112,164.00</u>	<u>\$ 7,827,299.00</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 44,031.86	11,286.00								
Operating Grants and Contributions	2,493,051.02	1,475,355.00	1,167,052.00	1,099,643.00	1,027,960.00	835,596.00	692,932.00	657,949.00	673,978.00	609,289.00
Total Governmental Activities Program Revenues	<u>2,537,082.88</u>	<u>1,486,641.00</u>	<u>1,167,052.00</u>	<u>1,099,643.00</u>	<u>1,027,960.00</u>	<u>835,596.00</u>	<u>692,932.00</u>	<u>657,949.00</u>	<u>673,978.00</u>	<u>609,289.00</u>
Business-type activities:										
Charges for services										
Food Service	14,850.41		46,967.00	71,775.00	67,837.00	77,458.00	77,410.00	83,633.00	88,063.00	89,050.00
School Care	856.12	20,104.00	18,673.00	29,467.00	24,082.00	32,453.00	37,929.00	37,980.00	44,939.00	47,466.00
Operating Grants and Contributions	255,840.35	158,677.00	51,749.00	54,065.00	53,949.00	62,536.00	66,957.00	57,377.00	63,686.00	51,717.00
Total Business-type Activities Program Revenues	<u>271,546.88</u>	<u>178,781.00</u>	<u>117,389.00</u>	<u>155,307.00</u>	<u>145,868.00</u>	<u>172,447.00</u>	<u>182,296.00</u>	<u>178,990.00</u>	<u>196,688.00</u>	<u>188,233.00</u>
Total District Program Revenues	<u>\$ 2,808,629.76</u>	<u>\$ 1,665,422.00</u>	<u>\$ 1,284,441.00</u>	<u>\$ 1,254,950.00</u>	<u>\$ 1,173,828.00</u>	<u>\$ 1,008,043.00</u>	<u>\$ 875,228.00</u>	<u>\$ 836,939.00</u>	<u>\$ 870,666.00</u>	<u>\$ 797,522.00</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (7,115,812.12)	\$ (8,060,223.00)	\$ (7,587,164.00)	\$ (8,928,842.00)	\$ (9,529,153.00)	\$ (8,464,756.00)	\$ (8,298,633.00)	\$ (7,392,664.00)	\$ (7,248,348.00)	\$ (7,081,494.00)
Business-type Activities	42,756.49	51,489.00	(12,856.00)	(3,103.00)	(25,913.00)	12,558.00	5,155.00	1,673.00	6,850.00	51,717.00
Total Government-wide Net Expense	<u>\$ (7,073,055.63)</u>	<u>\$ (8,008,734.00)</u>	<u>\$ (7,600,020.00)</u>	<u>\$ (8,931,945.00)</u>	<u>\$ (9,555,066.00)</u>	<u>\$ (8,452,198.00)</u>	<u>\$ (8,293,478.00)</u>	<u>\$ (7,390,991.00)</u>	<u>\$ (7,241,498.00)</u>	<u>\$ (7,029,777.00)</u>

(Continued)

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Net Property Taxes Levied for General Purposes	\$ 4,607,261.00	\$ 4,464,529.00	\$ 4,376,989.00	\$ 4,218,366.00	\$ 4,207,026.00	\$ 4,043,102.00	\$ 3,965,591.00	\$ 3,776,190.00	\$ 3,547,690.00	\$ 3,547,690.00
Federal and State Aid not Restricted	3,009,377.52									
Taxes Levied for Debt Service	65,300.00					71,600.00	70,353.00	67,800.00	324,813.00	330,656.00
Unrestricted Grants Contributions		3,924,240.00	3,572,843.00	4,224,270.00	4,890,707.00	4,143,422.00	4,045,238.00	3,448,467.00	3,456,959.00	3,436,320.00
Investment Earnings		11,709.00	5,605.00	5,395.00	5,035.00	4,704.00	4,339.00	4,094.00	3,075.00	2,930.00
Tuition and Transportation Revenue		12,283.00	45,033.00	190,128.00	95,689.00	109,044.00	98,099.00	82,716.00	75,907.00	102,179.00
Miscellaneous Income	91,766.53	69,205.00	117,101.00	76,076.00	103,392.00	59,597.00	59,942.00	91,761.00	36,606.00	48,714.00
Loss on Disposal of Assets	(13,057.00)									
Fixed Asset Adjustment	(9,562.00)	(649,523.00)	(97,207.00)		(27,081.00)					
Transfers and Other Adjustments		(70,592.00)	(78,008.00)			6,226.00				
Total Governmental Activities	7,751,086.05	7,761,851.00	7,942,356.00	8,714,235.00	9,274,768.00	8,437,695.00	8,243,562.00	7,471,028.00	7,445,050.00	7,468,489.00
Business-type Activities:										
Interest	36.94									
Transfer and Other Adjustments		21.00	(6,524.00)	20.00	44.00	75.00	55.00	59.00	52.00	73.00
Total Business-type Activities	36.94	21.00	(6,524.00)	20.00	44.00	75.00	55.00	59.00	52.00	73.00
Total Government-wide	\$ 7,751,122.99	\$ 7,761,872.00	\$ 7,935,832.00	\$ 8,714,255.00	\$ 9,274,812.00	\$ 8,437,770.00	\$ 8,243,617.00	\$ 7,471,087.00	\$ 7,445,102.00	\$ 7,468,562.00
Change in Net Position										
Governmental Activities	\$ 635,273.93	\$ (298,372.00)	\$ 355,192.00	\$ (214,607.00)	\$ (254,385.00)	\$ (27,061.00)	\$ (55,071.00)	\$ 78,364.00	\$ 196,702.00	\$ 386,995.00
Business-type Activities	42,793.43	51,510.00	(19,380.00)	(3,083.00)	(25,869.00)	12,633.00	5,210.00	1,732.00	6,902.00	51,790.00
Total Government	\$ 678,067.36	\$ (246,862.00)	\$ 335,812.00	\$ (217,690.00)	\$ (280,254.00)	\$ (14,428.00)	\$ (49,861.00)	\$ 80,096.00	\$ 203,604.00	\$ 438,785.00

Source: District Records

NOTES:

(1) Source: ACFR Exhibit A-1

(2) Amounts for the years 2022 through 2015 include the Implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and for *Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68.

(3) Amounts for 2022 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

(4) Amount for 2022 through 2021 includes the implementation of Governmental Accounting Standards Board- Statement No. 84, *Fiduciary Activities*.

(5) Amount for 2022 includes the implementation of Governmental Accounting Standards Board- Statement No. 87, *Leases*.

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ 1,481,271.76	\$ 1,164,898.00	\$ 1,113,720.00	\$ 631,264.00	\$ 568,419.00	\$ 733,810.00	\$ 614,226.00	\$ 462,766.00	\$ 459,748.00	\$ 352,740.00
Assigned	154,519.78	392,137.00	395,895.00	220,644.00	419,133.00	388,285.00	182,774.00	187,402.00	309,388.00	208,755.00
Unassigned	357,035.48	93,474.00	(11,348.00)	(9,436.00)	(51,385.00)	(61,010.00)	(90,741.00)	(74,790.00)	(78,684.00)	(58,910.00)
Total General Fund	\$ 1,992,827.02	\$ 1,650,509.00	\$ 1,498,267.00	\$ 842,472.00	\$ 936,167.00	\$ 1,061,085.00	\$ 706,259.00	\$ 575,378.00	\$ 690,452.00	\$ 502,585.00
All Other Governmental Funds										
Restricted										
Special Revenue Fund	\$ 69,654.96									
Debt Service Fund	0.19									
Capital Projects Funds	687,236.37									
Committed										
Capital Projects Funds					\$ 10,169.00			\$ 9,228.00		
Unrestricted, Reported In:										
Special Revenue Fund (Deficit)	(1,650.00)	\$ (1,650.00)	\$ (1,650.00)	\$ (1,650.00)	(1,650.00)	\$ (1,650.00)	\$ (1,650.00)	(1,650.00)	\$ (1,650.00)	\$ (1,650.00)
Debt Service Fund					72,800.00	72,800.00		1,200.00	1,247.00	47.00
Total All Other Governmental Funds	\$ 755,241.52	\$ (1,650.00)	\$ (1,650.00)	\$ (1,650.00)	\$ 81,319.00	\$ 71,150.00	\$ (1,650.00)	\$ 8,778.00	\$ (403.00)	\$ (1,603.00)

Source: District Records

NOTES:

- (1) Source: ACFR Exhibit A-1
- (2) Amounts for the years 2022 through 2015 include the Implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68.
- (3) Amounts for 2022 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- (4) Amount for 2022 through 2021 includes the implementation of Governmental Accounting Standards Board- Statement No. 84, *Fiduciary Activities*.
- (5) Amount for 2022 includes the implementation of Governmental Accounting Standards Board- Statement No. 87, *Leases*.

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Local Tax Levy	\$ 4,672,561.00	\$ 4,464,529.00	\$ 4,376,989.00	\$ 4,218,366.00	\$ 4,207,026.00	\$ 4,135,902.00	\$ 4,114,702.00	\$ 4,035,944.00	\$ 3,843,990.00	\$ 3,872,503.00
Transportation			32,883.00	82,045.00	73,794.00	51,111.00	72,348.00	63,780.00	61,094.00	54,703.00
Tuition Charges		12,283.00	12,150.00	108,083.00	21,895.00	24,322.00	36,696.00	34,319.00	21,622.00	21,204.00
Interest	12,148.55	11,709.00	5,605.00	5,395.00	5,035.00	4,959.00	4,704.00	4,339.00	4,094.00	3,075.00
Rental	55,854.00	55,854.00	54,760.00	53,685.00	53,685.00	52,632.00	57,446.00	52,632.00	51,600.00	33,758.00
Miscellaneous	74,495.84	28,623.00	62,341.00	22,391.00	49,707.00	5,191.00	2,151.00	7,310.00	40,161.00	2,848.00
State Sources	5,039,102.51	4,325,020.00	4,281,700.00	4,430,559.00	4,338,095.00	4,203,273.00	4,087,658.00	4,036,008.00	3,876,069.00	3,933,806.00
Federal Sources	633,113.03	280,120.00	231,891.00	222,578.00	242,696.00	221,270.00	240,105.00	201,702.00	230,347.00	197,131.00
Total Revenue	10,487,274.93	9,178,138.00	9,058,319.00	9,143,102.00	8,991,933.00	8,698,660.00	8,615,810.00	8,436,034.00	8,128,977.00	8,119,028.00
Expenditures										
Instruction										
Regular Instruction	2,853,837.42	2,226,086.00	2,178,357.00	2,072,401.00	1,888,431.00	1,875,979.00	1,854,515.00	1,727,278.00	1,824,169.00	1,690,606.00
Special Education Instruction	234,840.48	249,633.00	205,680.00	431,234.00	569,880.00	438,123.00	433,709.00	428,787.00	436,865.00	410,947.00
Other Instruction	49,676.21	98,392.00	93,867.00	134,211.00	191,419.00	168,420.00	174,724.00	176,572.00	155,522.00	152,740.00
School Sponsored Cocurricular Activities	31,743.27									
Support Services:										
Tuition	1,589,567.57	1,943,862.00	2,026,618.00	2,460,115.00	2,481,660.00	2,114,386.00	2,311,740.00	2,488,476.00	2,088,860.00	2,056,917.00
Student & Instruction Related Services	616,430.79	535,643.00	531,411.00	756,426.00	671,434.00	671,537.00	672,099.00	532,332.00	518,863.00	529,147.00
General Administrative Services	284,077.12	185,627.00	183,923.00	174,172.00	150,684.00	174,384.00	203,376.00	232,298.00	175,982.00	188,050.00
School Administrative Services	102,110.98	136,815.00	87,335.00	128,114.00	120,001.00	115,887.00	118,310.00	156,081.00	158,146.00	148,177.00
Central Services	121,933.38	129,939.00	125,753.00	125,759.00	118,964.00	117,853.00	120,401.00	121,471.00	122,633.00	124,949.00
Administrative Information Technology	38,078.59	15,000.00	19,000.00	19,000.00	17,500.00					
Plant Operations and Maintenance	559,954.68	468,389.00	432,192.00	417,974.00	447,736.00	347,864.00	446,653.00	434,024.00	450,654.00	560,265.00
Student Transportation	499,493.22	592,292.00	516,414.00	508,706.00	501,145.00	440,296.00	415,328.00	419,370.00	390,306.00	377,295.00
Unallocated Employee Benefits	2,388,413.20	2,078,181.00	1,889,328.00	1,947,286.00	1,783,612.00	1,684,683.00	1,555,479.00	1,484,315.00	1,444,553.00	1,369,357.00
Capital Outlay	2,866,026.50	597,753.00	34,638.00	144,371.00	164,216.00	121,622.00	122,449.00	270,523.00	301,381.00	98,728.00
Support Services	420,450.54									
Debt Service										
Principal							70,000.00	65,000.00	60,000.00	460,000.00
Interest	65,299.81						2,800.00	5,400.00	6,600.00	26,313.00
Total Expenditures	12,721,933.76	9,257,612.00	8,324,516.00	9,319,769.00	9,106,682.00	8,271,034.00	8,501,583.00	8,541,927.00	8,134,534.00	8,193,491.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,234,658.83)	(79,474.00)	733,803.00	(176,667.00)	(114,749.00)	427,626.00	114,227.00	(105,893.00)	(5,557.00)	(74,463.00)
Other Financing Sources (Uses)										
Transfers In/(Out)			(4,273.00)							
Transfer to Charter School		(70,592.00)	(73,735.00)							
Bond Proceeds		3,543,000.00							194,624.00	
Adjustment to State Aid							6,226.00			
Total Other Financing Sources (Uses)	-	3,472,408.00	(78,008.00)	-	-	-	6,226.00	-	194,624.00	-
Net Change in Fund Balances	\$ (2,234,658.83)	\$ 3,392,934.00	\$ 655,795.00	\$ (176,667.00)	\$ (114,749.00)	\$ 427,626.00	\$ 120,453.00	\$ (105,893.00)	\$ 189,067.00	\$ (74,463.00)

Source: District Records

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	Interest on Investments	Tuition Revenue	Transportation	Rentals	Prior Year Adjustments	Misc.	Total
2022	\$ 12,148.55			\$ 55,854.00		\$ 23,763.98	\$ 91,766.53
2021	11,709.00	\$ 12,283.00		55,854.00		13,351.00	93,197.00
2020	5,605.00	12,150.00	\$ 32,883.00	54,760.00		62,341.00	167,739.00
2019	5,395.00	108,083.00	82,045.00	53,685.00		22,391.00	271,599.00
2018	5,035.00	21,895.00	73,794.00	53,685.00		49,707.00	204,116.00
2017	4,959.00	24,322.00	51,111.00	52,632.00		5,191.00	138,215.00
2016	4,704.00	36,696.00	72,348.00	57,446.00		2,151.00	173,345.00
2015	4,339.00	34,319.00	63,780.00	52,632.00		7,310.00	162,380.00
2014	4,094.00	21,622.00	61,094.00	51,600.00	\$ 898.00	39,263.00	178,571.00
2013	3,075.00	21,204.00	54,703.00	33,758.00		2,848.00	115,588.00

Source: District Records

Revenue Capacity Information

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities (1)	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
2022	\$ 4,443,900.00	\$ 208,149,500.00	\$87,533,200.00	\$ 10,807,100.00	\$ 27,745,100.00	\$ 1,493,100.00	\$340,171,900.00		\$ 1.419	\$ 350,873,543.00
2021	4,847,100.00	208,065,800.00	86,786,000.00	10,910,900.00	27,558,700.00	1,493,100.00	339,661,600.00		1.376	333,132,209.00
2020	5,752,300.00	208,405,000.00	87,009,800.00	10,772,200.00	28,159,900.00	1,493,100.00	341,592,300.00		1.307	315,495,540.00
2019	7,355,801.00	209,859,400.00	84,055,380.00	11,019,900.00	23,588,900.00	1,480,000.00	337,359,381.00		1.297	315,495,540.00
2018	7,726,301.00	209,681,100.00	84,137,700.00	11,022,900.00	23,694,400.00	1,480,000.00	337,742,401.00		1.241	306,592,594.00
2017	7,735,201.00	210,800,800.00	83,397,000.00	11,025,300.00	23,794,400.00	1,480,000.00	338,232,701.00	\$ 869,843.00	1.241	316,341,845.00
2016	8,817,800.00	212,154,800.00	83,088,100.00	11,006,800.00	23,411,100.00	1,480,000.00	339,958,600.00	899,152.00	1.213	315,272,744.00
2015	8,898,400.00	213,983,700.00	82,275,100.00	10,961,500.00	23,411,100.00	1,480,000.00	341,009,800.00	915,624.00	1.204	304,697,278.00
2014	9,150,100.00	214,662,600.00	80,934,000.00	10,962,200.00	22,776,100.00	1,480,000.00	339,965,000.00	1,088,069.00	1.184	300,386,187.00
2013	9,270,100.00	214,371,400.00	80,722,000.00	10,947,700.00	23,024,800.00	1,480,000.00	339,816,000.00	1,226,464.00	1.128	306,252,213.00

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

(2) Tax Rates are per \$100.00 of Assessed Valuation

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Tax Assessor

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Upper Pittsboro Township	Salem County	
2022	\$ 1.399	\$ 0.020	\$ 1.419	\$ 0.221	\$ 1.275	\$ 2.915
2021	1.376	-	1.376	0.212	1.210	2.798
2020	1.307	-	1.307	0.212	1.204	2.723
2019	1.297	-	1.297	0.201	1.134	2.632
2018	1.241	-	1.241	0.178	1.092	2.511
2017	1.241	-	1.241	0.173	1.015	2.429
2016	1.192	0.021	1.213	0.173	1.015	2.401
2015	1.183	0.021	1.204	0.169	0.891	2.264
2014	1.163	0.021	1.184	0.169	0.834	2.187
2013	1.033	0.095	1.128	0.147	0.873	2.148

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

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

Source: Municipal Tax Collector

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2022			2013		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Third Garden Park Limited Partners	\$ 2,650,000	1	0.78%			
176 Harding LLC	1,960,000	2	0.58%			
Larchmont Farms Inc	1,913,800	3	0.56%			
Round About Equipment LLC	1,813,200	4	0.53%			
Taxpayer #1	1,643,400	5	0.48%			
Old Castle Lawn & Garden	1,620,600	6	0.48%		Not Available	
R M Sickler Sons Farm, LLC	1,533,600	7	0.45%			
NJ Bell Telephone	1,437,600	8	0.42%			
Taxpayer #2	1,414,000	9	0.42%			
Atlantic City Electric Co	1,336,100	10	0.39%			
	<u>\$ 17,322,300</u>		<u>5.09%</u>	<u>\$ -</u>		<u>--- %</u>

Source: Tax Assessor

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (1)</u>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2022	\$ 4,672,561.00	\$ 4,672,561.00	100%	-
2021	4,464,529.00	4,464,529.00	100%	-
2020	4,376,989.00	4,376,989.00	100%	-
2019	4,218,366.00	4,218,366.00	100%	-
2018	4,063,102.00	4,063,102.00	100%	-
2017	4,063,102.00	4,063,102.00	100%	-
2016	4,043,102.00	4,043,102.00	100%	-
2015	3,965,591.00	3,965,591.00	100%	-
2014	3,776,190.00	3,776,190.00	100%	-
2013	3,872,503.00	3,872,503.00	100%	-

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

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

Debt Capacity Information

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			<u>Total District</u>	Percentage of Personal <u>Income (1)</u>	<u>Per Capita (1)</u>
	General Obligation <u>Bonds</u>	<u>Leases</u>				
2022	\$ 3,543,000	\$ 65,000.83		\$ 3,608,001	Unavailable	Unavailable
2021	3,543,000	-		3,543,000	Unavailable	1,066
2020	-	-		-	-	-
2019	-	-		-	-	-
2018	-	-		-	-	-
2017	-	60,427		60,427	0.04%	18
2016	-	127,190		127,190	0.08%	38
2015	70,000	210,912		280,912	0.18%	83
2014	135,000	291,532		426,532	0.29%	123
2013	195,000	161,187		356,187	0.25%	104

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

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

Source: District ACFR Exhibits I-1, I-2

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (2)</u>
2022	\$ 3,543,000.00	\$ -	\$ 3,543,000.00	1.04%	Unavailable
2021	3,543,000.00	-	3,543,000.00	1.06%	1,066
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	70,000.00	-	70,000.00	0.02%	20
2014	135,000.00	-	135,000.00	4.00%	39
2013	195,000.00	-	195,000.00	0.06%	57

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit NJ J-14.

Source: District Records.

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Upper Pittsgrove Twp	\$ -	100.00%	\$ -
Salem County	83,675,428	6.82%	5,708,999
Subtotal, overlapping debt			5,708,999
Upper Pittsgrove Township School District Direct Debt			3,543,000
Total direct and overlapping debt			<u>\$ 9,251,999</u>

Sources: Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

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

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis	
	2021	\$ 350,347,189
	2020	335,025,794
	2019	<u>331,361,734</u>
	[A]	<u>\$ 1,016,734,717</u>
Average equalized valuation of taxable property	[A/3]	\$ 338,911,572
Debt limit (3% of average equalization value) (1)	[B]	10,167,347
Total Net Debt Applicable to Limit	[C]	<u>3,543,000</u>
Legal Debt Margin	[B-C]	<u>\$ 6,624,347</u>

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 10,167,347	\$ 9,822,413	\$ 9,542,531	\$ 9,408,475	\$ 9,412,413	\$ 6,342,037	\$ 9,142,147	\$ 9,052,822	\$ 9,331,696	\$ 6,361,536
Total net debt applicable to limit	<u>3,543,000</u>	<u>3,543,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>135,000</u>	<u>195,000</u>
Legal debt margin	<u>\$ 6,624,347</u>	<u>\$ 6,279,413</u>	<u>\$ 9,542,531</u>	<u>\$ 9,408,475</u>	<u>\$ 9,412,413</u>	<u>\$ 6,342,037</u>	<u>\$ 9,142,147</u>	<u>\$ 8,982,822</u>	<u>\$ 9,196,696</u>	<u>\$ 6,166,536</u>
Total net debt applicable to the limit as a percentage of debt limit	34.85%	36.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.77%	1.45%	3.07%

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

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

Demographic and Economic Information

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2022	Not Available	Not Available	Not Available	Not Available
2021	3,454	Not Available	Not Available	5.8%
2020	3,357	\$ 183,218,346.00	\$ 54,578.00	7.9%
2019	3,352	169,601,144.00	50,597.00	3.8%
2018	3,361	159,597,085.00	47,485.00	4.4%
2017	3,360	154,301,280.00	45,923.00	4.5%
2016	3,367	151,939,242.00	45,126.00	5.0%
2015	3,386	150,934,336.00	44,576.00	5.7%
2014	3,405	144,412,860.00	42,412.00	6.6%
2013	3,427	142,535,784.00	41,592.00	8.9%

Source:

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Principal Employers
 Current Year and Nine Years Ago
 Unaudited

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
	Not Available			Not Available		
	-		-	-		-

Source: County Department of Economic Development

Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction										
Regular	31	29	29	26	26	29	27	30	30	26
Special education	2	2	2	7	7	5	6	5	6	12
Other special education										
Other instruction				3	3	3	2			
Support Services:										
Tuition	6	6	6	10	11	8	9	10	11	7
Student & instruction related services	3	3	3	3	3	3	3	4	4	4
General administrative services	2	2	2	2	2	2	2	1	1	1
School administrative services	2								3	
Business administrative services	2	5	5	5	4	3	3	9	9	3
Plant operations and Maintenance	3	3	3	3	3	2	2			8
Pupil transportation							7			
Total	51	49	49	58	58	55	61	58	63	60

Source: District Personnel Records

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2022	326.0	\$ 9,790,607.45	\$ 30,032.54	13.40%	33.0	321.0	299.0	8.33%	93.15%
2021	327.0	8,659,859.00	26,482.75	6.06%	30.7	290.0	276.0	0.00%	95.17%
2020	332.0	8,289,878.00	24,969.51	-13.73%	30.7	290.0	276.0	-4.96%	95.17%
2019	317.0	9,175,398.00	28,944.47	5.84%	35.5	298.0	290.4	-6.92%	97.45%
2018	327.0	8,942,466.00	27,346.99	13.76%	35.3	326.0	312.0	-3.32%	95.71%
2017	339.0	8,149,412.00	24,039.56	-2.18%	37.0	339.3	322.7	-2.00%	95.11%
2016	338.0	8,306,334.00	24,574.95	9.97%	33.0	354.0	329.3	-1.38%	93.02%
2015	367.0	8,201,004.00	22,346.06	7.32%	35.0	357.3	333.9	-0.45%	93.45%
2014	373.0	7,766,553.00	20,821.86	6.18%	36.0	350.8	335.4	-5.31%	95.61%
2013	388.0	7,608,450.00	19,609.41	0.32%	37.5	365.0	354.2	12.23%	97.04%

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

Note: Enrollment based on annual October district count.

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District Buildings										
Elementary:										
Square Feet	64,828	64,828	64,828	64,828	64,828	64,828	64,828	648,285	64,828	64,828
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	326	327	332	317	327	339	338	367	373	388

Number of Schools at June 30, 2022
 Elementary - 1

Source: District records, ASSA

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Gross Square Footage	Fiscal Year Ending June 30,									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Upper Pittsgrove Township School	64,828	\$ 175,718.70	\$ 60,754.00	\$ 42,248.00	\$ 46,823.00	\$ 58,524.00	\$ 61,834.00	\$ 55,093.00	\$ 48,103.00	\$ 37,282.00	\$ 43,219.00
Total School Facilities		<u>\$ 175,718.70</u>	<u>\$ 60,754.00</u>	<u>\$ 42,248.00</u>	<u>\$ 46,823.00</u>	<u>\$ 58,524.00</u>	<u>\$ 61,834.00</u>	<u>\$ 55,093.00</u>	<u>\$ 48,103.00</u>	<u>\$ 37,282.00</u>	<u>\$ 43,219.00</u>

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

Source: District Records (Form M-1)

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
Unaudited

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

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Upper Pittsgrove Township School District's, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 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 Upper Pittsgrove Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 other 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 federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. 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, individually 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 the 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 the 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 Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

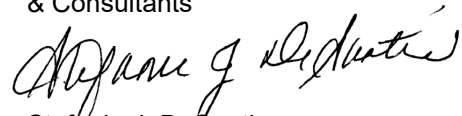
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stefanie J. DeSantis
Certified Public Accountant
Public School Accountant No. CS 002523

Woodbury, New Jersey
March 30, 2023

UPPER PITTSBURGH TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2022

Federal Grantor / Pass-through Grantor/ Program or Cluster Title	Federal Assistance Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2021
						From	To	
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Grants to Local Educational Agencies (LEAs):								
Title I, Part A	84.010	N/A	S010A210030	ESEA532022	\$ 102,355.00	7/1/2021	6/30/2022	
Title I, Part A	84.010	N/A	S010A200030	ESEA532021	75,829.00	7/1/2020	6/30/2021	<u>\$ (31,029.00)</u>
Total Title I, Part A Grants								<u>(31,029.00)</u>
Supporting Effective Instruction State Grants:								
Title II, Part A	84.367	N/A	S367A210029	ESEA532022	17,624.00	7/1/2021	6/30/2022	
Title II, Part A	84.367	N/A	S367A200029	ESEA532021	14,762.00	7/1/2020	6/30/2021	<u>(7,187.00)</u>
Total Title II, Part A Grants								<u>(7,187.00)</u>
Student Support and Academic Enrichment Grants:								
Title IV, Part A	84.424	N/A	S424A210031	ESEA532022	10,000.00	7/1/2021	6/30/2022	
Title IV, Part A	84.424	N/A	S424A200031	ESEA532021	10,000.00	7/1/2020	6/30/2021	<u>(10,000.00)</u>
Total Title IV, Part A Grants								<u>(10,000.00)</u>
Individuals with Disabilities Education Act (IDEA)								
Special Education Cluster:								
Special Education - Grants to States (ARP IDEA Basic)	84.027	84.027X	H027X210100	IDEA532022	13,280.00	7/1/2021	6/30/2022	
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	H027A210100	IDEA532022	94,657.00	7/1/2021	6/30/2022	
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	H027A200100	IDEA532021	96,015.00	7/1/2020	6/30/2021	<u>(48,629.00)</u>
Total Special Education - Grants to States (IDEA, Part B)								<u>(48,629.00)</u>
Special Education - Grants to States (IDEA, Preschool)	84.173	N/A	H173A210114	IDEA532022	3,621.00	7/1/2021	6/30/2022	
Special Education - Grants to States (IDEA, Preschool)	84.173	N/A	H173A200114	IDEA532021	3,583.00	7/1/2020	6/30/2021	<u>(3,583.00)</u>
Special Education - Grants to States (ARP IDEA PS)	84.173	84.173X	H173X210114	IDEA532022	1,134.00	7/1/2021	6/30/2022	
Total Special Education - Grants to States (IDEA, Preschool)								<u>(3,583.00)</u>
Total Special Education Cluster (IDEA)								<u>(52,212.00)</u>
Rural Education Achievement Program (REAP)	84.358	84.358A	S358A183108	REAP532022	67,484.00	7/1/2021	6/30/2022	
Total Rural Education Achievement Program								<u>-</u>
Education Stabilization Fund (ESF):								
COVID-19 Elementary and Secondary								
School Emergency Relief Fund (ESSERF)	84.425	COVID-19; 84.425D	S425D200027	N/A	66,275.00	3/13/2020	9/30/2022	(40,848.00)
COVID-19 Elementary and Secondary								
School Emergency Relief Fund (ESSER II)	84.425	COVID-19; 84.425D	S425D210027	N/A	257,122.00	3/13/2020	9/30/2023	
Coronavirus Response and Relief Supplemental Act								
Learning Acceleration	84.425	COVID-19; 84.425D	S425D210027	N/A	25,000.00	3/13/2020	9/30/2023	
Mental Health	84.425	COVID-19; 84.425D	S425D210027	N/A	45,000.00	3/13/2020	9/30/2023	
American Rescue Plan Elementary and Secondary								
School Emergency Relief Fund	84.425	COVID-19; 84.425U	S425U210027	N/A	40,000.00	3/13/2020	9/30/2024	
Evidence Based Summer	84.425	COVID-19; 84.425U	S425U210027	N/A	40,000.00	3/13/2020	9/30/2024	
COVID-19 Elementary and Secondary								
School Emergency Relief Fund (ESSER III)	84.425	COVID-19; 84.425U	S425U210027	N/A	577,865.00	3/13/2020	9/30/2024	
Total Education Stabilization Fund								<u>(40,848.00)</u>
Total U.S. Department of Education (State)								<u>(141,276.00)</u>
Total Special Revenue Fund								<u>(141,276.00)</u>
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	N/A	221NJ304N1099	100-030-3350-021	67,120.79	7/1/2021	6/30/2022	
School Breakfast Program	10.553	N/A	211NJ304N1099	100-030-3350-021	55,370.00	7/1/2020	6/30/2021	<u>(2,206.00)</u>
Total School Breakfast Program								<u>(2,206.00)</u>
National School Lunch Program	10.555	N/A	221NJ304N1099	100-030-3350-023	168,157.48	7/1/2021	6/30/2022	
National School Lunch Program	10.555	N/A	211NJ304N1099	100-030-3350-023	87,710.00	7/1/2020	6/30/2021	<u>(3,494.00)</u>
Food Distribution Program	10.555	N/A	221NJ304N1099	N/A	15,376.80	7/1/2021	6/30/2022	
Food Distribution Program	10.555	N/A	211NJ304N1099	N/A	11,086.00	7/1/2020	6/30/2021	<u>642.00</u>
Total National School Lunch Program								<u>(2,852.00)</u>
Total Child Nutrition Cluster								<u>(5,058.00)</u>
Pandemic EBT Administrative Costs	10.649	COVID-19	2022225900941	N/A	1,242.00	7/1/2021	6/30/2022	
Total Enterprise Fund								<u>(5,058.00)</u>
Total Federal Financial Assistance								<u>\$ (146,334.00)</u>

A: Differences due to rounding adjustment
 B: Recapture of prior fiscal year expenditures
 C: Favorable difference in liquidation of encumbrances charged as budgetary basis expenditures in prior year.

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

Carryover / (Walkover) Amount	Budgetary Expenditures				Passed - Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022		
	Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 55,000.00 31,029.00	\$ 102,355.00		\$ 102,355.00				\$ (47,355.00)		
-	86,029.00	102,355.00	-	102,355.00	-	-	-	(47,355.00)	-	-
	7,080.00 7,187.00	17,624.00		17,624.00 -				(10,544.00) -		
-	14,267.00	17,624.00	-	17,624.00	-	-	-	(10,544.00)	-	-
	10,000.00 10,000.00	10,000.00 7,040.00		10,000.00 7,040.00				(14,080.00)		
-	20,000.00	17,040.00	-	17,040.00	-	7,040.00	-	(14,080.00)	-	-
	13,280.00 93,754.00 48,629.00	13,280.00 94,657.00		13,280.00 94,657.00 -				(903.00)		
-	155,663.00	107,937.00	-	107,937.00	-	-	-	(903.00)	-	-
	3,621.00 3,583.00	3,621.00		3,621.00 -				(1,134.00)		
-	7,204.00	4,755.00	-	4,755.00	-	-	-	(1,134.00)	-	-
-	162,867.00	112,692.00	-	112,692.00	-	-	-	(2,037.00)	-	-
	67,484.00	67,484.00		67,484.00				-		
-	67,484.00	67,484.00	-	67,484.00	-	-	-	-	-	-
	42,674.00	35,076.00		35,076.00		0.50	A	(33,249.50)		
	63,940.00	69,928.15		69,928.15				(5,988.15)		
	7,579.00 12,000.00	21,387.68 12,000.00		21,387.68 12,000.00				(13,808.68)		
		2,500.00		2,500.00				(2,500.00)		
	388,000.00	175,026.20		175,026.20					\$ 212,973.80	
-	514,193.00	315,918.03	-	315,918.03	-	0.50	-	(55,546.33)	212,973.80	-
-	864,840.00	633,113.03	-	633,113.03	-	7,040.50	-	(129,562.33)	212,973.80	-
-	864,840.00	633,113.03	-	633,113.03	-	7,040.50	-	(129,562.33)	212,973.80	-
	62,074.67 2,206.00	67,120.79		67,120.79 -		(0.23)	A	(5,045.89)		
-	64,280.67	67,120.79	-	67,120.79	-	(0.23)	-	(5,045.89)	-	-
	154,232.81 3,494.00 15,376.80	168,157.48 15,376.80		168,157.48 15,376.80 -		0.08	A	(13,924.75)		
-	173,103.61	183,534.28	-	183,534.28	-	642.00	B	(13,924.75)	-	-
-	237,384.28	250,655.07	-	250,655.07	-	641.85	-	(18,970.64)	-	-
	1,242.00	1,242.00		1,242.00						
-	238,626.28	251,897.07	-	251,897.07	-	641.85	-	(18,970.64)	-	-
\$ -	\$ 1,103,466.28	\$ 885,010.10	\$ -	\$ 885,010.10	\$ -	\$ 7,682.35	\$ -	\$ (148,532.97)	\$ 212,973.80	\$ -

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2022

State Grantor / Program	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	Carryover / (Walkover) Amount
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	22-495-034-5120-078	\$ 1,878,291.00	7/1/21	6/30/22			
Equalization Aid	21-495-034-5120-078	2,189,963.00	7/1/20	6/30/21	\$ (212,626.00)		
Special Education Aid	22-495-034-5120-089	300,139.00	7/1/21	6/30/22			
Special Education Aid	21-495-034-5120-089	300,139.00	7/1/20	6/30/21	(29,141.00)		
Security Aid	22-495-034-5120-084	55,469.00	7/1/21	6/30/22			
Security Aid	21-495-034-5120-084	55,469.00	7/1/20	6/30/21	(5,386.00)		
School Choice Aid	22-495-034-5120-068	236,950.00	7/1/21	6/30/22			
School Choice Aid	21-495-034-5120-068	221,075.00	7/1/20	6/30/21	(21,465.00)		
Maintenance of Equity	22-495-034-5120-128	255,957.00	7/1/21	6/30/22			
Total State Aid - Public					(268,618.00)	-	-
State Aid - Transportation:							
Transportation Aid	22-495-034-5120-014	271,073.00	7/1/21	6/30/22			
Transportation Aid	21-495-034-5120-014	271,073.00	7/1/20	6/30/21	(26,319.00)		
Nonpublic Transportation Aid	22-495-034-5120-014	4,640.00	7/1/21	6/30/22			
Nonpublic Transportation Aid	21-495-034-5120-014	6,090.00	7/1/20	6/30/21	(6,090.00)		
Total State Aid - Transportation					(32,409.00)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	22-495-034-5120-044	79,985.00	7/1/21	6/30/22			
Extraordinary Special Education Aid	21-495-034-5120-044	81,712.00	7/1/20	6/30/21	(81,712.00)		
Total Extraordinary Aid					(81,712.00)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	209,216.91	7/1/21	6/30/22			
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	239,110.00	7/1/20	6/30/21	(710.00)		
Total Reimbursed TPAF Social Security Contributions					(710.00)	-	-
On-behalf T.P.A.F. Pension Contributions:							
Normal Cost	22-495-034-5094-002	910,305.00	7/1/21	6/30/22			
Non-Contributory Insurance	22-495-034-5094-004	12,843.00	7/1/21	6/30/22			
Post-Retirement Medical Costs	22-495-034-5094-001	215,685.00	7/1/21	6/30/22			
Long-Term Disability Insurance	22-495-034-5094-004	224.00	7/1/21	6/30/22			
1 Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-	-
Total General Fund					(383,449.00)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	22-495-034-5120-086	16,500.00	7/1/21	6/30/22			
Preschool Education Aid	21-495-034-5120-086	16,500.00	7/1/20	6/30/21	(1,650.00)		
Preschool Expansion Aid	22-495-034-5120-086	672,760.00	7/1/21	6/30/22			
Total State Department of Education					(1,650.00)	-	-
Total Special Revenue Fund					(1,650.00)	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition:							
State School Lunch Program	22-100-010-3350-023	3,943.28	7/1/21	6/30/22			
State School Lunch Program	21-100-010-3350-023	3,826.00	7/1/20	6/30/21	(753.78)		
Total Enterprise Fund					(753.78)	-	-
Total State Financial Assistance					\$ (385,852.78)	\$ -	\$ -

Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:

General Fund (Non-Cash Assistance):

New Jersey Department of the Treasury:

On-behalf T.P.A.F. Pension Contributions:

Normal Cost 22-495-034-5094-002 910,305.00 7/1/21 6/30/22

Non-Contributory Insurance 22-495-034-5094-004 12,843.00 7/1/21 6/30/22

Post-Retirement Medical Costs 22-495-034-5094-001 215,685.00 7/1/21 6/30/22

Long-Term Disability Insurance 22-495-034-5094-004 224.00 7/1/21 6/30/22

Total General Fund (Non-Cash Assistance)

Total State Financial Assistance subject to Major Program Determination for State Single Audit

A: Differences due to rounding adjustment
 B: Recapture of prior fiscal year expenditures

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

Cash Received	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 1,689,846.55	\$ 1,878,291.00				\$ (188,444.45)			\$ (188,444.45)	\$ 1,878,291.00
212,626.00									2,189,963.00
270,026.77	300,139.00				(30,112.23)			(30,112.23)	300,139.00
29,141.00									300,139.00
49,903.93	55,469.00				(5,565.07)			(5,565.07)	55,469.00
5,386.00									55,469.00
213,177.37	236,950.00				(23,772.63)			(23,772.63)	236,950.00
21,465.00									221,075.00
	255,957.00				(255,957.00)				255,957.00
2,491,572.62	2,726,806.00	-	-	-	(503,851.38)	-	-	(247,894.38)	5,493,452.00
243,876.90	271,073.00				(27,196.10)			(27,196.10)	271,073.00
26,319.00									271,073.00
6,090.00	4,640.00				(4,640.00)				4,640.00
276,285.90	275,713.00	-	-	-	(31,836.10)	-	-	(27,196.10)	552,876.00
	79,985.00				(79,985.00)				79,985.00
81,712.00									81,712.00
81,712.00	79,985.00	-	-	-	(79,985.00)	-	-	-	161,697.00
198,899.87	209,216.91				(10,317.04)				209,216.91
710.42			\$ 0.42	A					239,110.00
199,610.29	209,216.91	-	0.42	-	(10,317.04)	-	-	-	448,326.91
910,305.00	910,305.00								910,305.00
12,843.00	12,843.00								12,843.00
215,685.00	215,685.00								215,685.00
224.00	224.00								224.00
1,139,057.00	1,139,057.00	-	-	-	-	-	-	-	1,139,057.00
4,188,237.81	4,430,777.91	-	0.42	-	(625,989.52)	-	-	(275,090.48)	7,795,408.91
14,850.00	16,500.00				(1,650.00)			(1,650.00)	16,500.00
1,650.00									16,500.00
603,939.48	571,978.08					\$ 31,961.40			571,978.08
620,439.48	588,478.08	-	-	-	(1,650.00)	31,961.40	-	(1,650.00)	604,978.08
620,439.48	588,478.08	-	-	-	(1,650.00)	31,961.40	-	(1,650.00)	604,978.08
3,622.82	3,943.28				(320.46)				3,943.28
753.78									3,826.00
4,376.60	3,943.28	-	-	-	(320.46)	-	-	-	7,769.28
\$ 4,813,053.89	\$ 5,023,199.27	\$ -	\$ 0.42	\$ -	\$ (627,959.98)	\$ 31,961.40	\$ -	\$ (276,740.48)	\$ 8,408,156.27
	\$ 910,305.00								
	12,843.00								
	215,685.00								
	224.00								
	1,139,057.00								
	\$ 3,884,142.27								

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,846.52) for the general fund and \$311,273.22 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 4,450,624.43	\$ 4,450,624.43
Special Revenue	\$ 633,113.03	588,478.08	1,221,591.11
Food Service	251,897.07	3,943.28	255,840.35
	<u>885,010.10</u>	<u>5,043,045.79</u>	<u>5,928,055.89</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	(19,846.52)	(19,846.52)
	<u>-</u>	<u>(19,846.52)</u>	<u>(19,846.52)</u>
Total Awards and Financial Assistance Expended	<u>\$ 885,010.10</u>	<u>\$ 5,023,199.27</u>	<u>\$ 5,908,209.37</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" are as shown in the table below for fiscal year 2021-2022:

	<u>Federal</u>	<u>State</u>
A: Differences due to rounding adjustment	\$ 0.35	\$ 0.42
B: Recapture of prior fiscal year expenditures	642.00	
C: Favorable difference in liquidation of encumbrances charged as budgetary basis expenditures in prior year	7,040.00	
	<u>7,682.35</u>	<u>0.42</u>
	<u>\$ 7,682.35</u>	<u>\$ 0.42</u>

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2022, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued UNMODIFIED

Internal control over financial reporting:

 Material weakness(es) identified? X yes no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027X210100</u>	<u>Special Education - Grants to States (ARP IDEA Basic)</u>
<u>84.027</u>	<u>H027A210100</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>
<u>84.173</u>	<u>H173X210114</u>	<u>Special Education - Grants to States (IDEA, Preschool)</u>
<u>84.173</u>	<u>H173X210114</u>	<u>Special Education - Grants to States (ARP IDEA PS)</u>
<u>10.553</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Cluster: School Breakfast Program</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Cluster: National School Lunch Program</u>

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

Auditee qualified as low-risk auditee? yes X no

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2022-001

Criteria or Specific Requirement

The maintenance of a complete and accurate set of financial records, including the general ledger, are required by the State Department of Education. These records summarize all account balances of the School District and should be available for financial analysis and financial reporting requirements.

Condition

The School District did not have a complete and accurate set of records to use in financial analysis and reporting for the fiscal year ended June 30, 2022.

Context

During our auditing procedures, it was noted that the School District's general ledger required adjusting entries to accurately reflect the 2021-2022 activity and year-end balances.

Effect or Potential Effect

Complete and accurate accounting records are essential to the School District. By not fully maintaining all the accounting records throughout the fiscal year, proper accounting of the School District's finances was not achieved.

Cause

Various breakdowns in the internal controls over financial transactions occurred due to a change in business office personnel.

Recommendation

The School District strengthen existing internal controls and implement additional internal controls to facilitate the maintenance of complete and accurate financial records for use in financial analysis and financial reporting.

View of Responsible Officials and Planned Corrective Action

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

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

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

None

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Condition

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

Current Status

A similar condition exists as finding 2022-001 due to the payroll agency subsidiary ledger not being fully maintained. However, the payroll agency bank account was reconciled for June 30, 2022.

Planned Corrective Action

The condition will be addressed as part of the current year corrective action plan.

FEDERAL AWARDS

Not applicable

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2021-001

Program

21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-068	School Choice Aid

Condition

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

Current Status

A similar condition exists as finding 2022-001 due to the payroll agency subsidiary ledger not being fully maintained. However, the payroll agency bank account was reconciled for June 30, 2022.

Planned Corrective Action

The condition will be addressed as part of the current year corrective action plan.