

**PENNS GROVE-CARNEYS POINT  
REGIONAL SCHOOL DISTRICT**

**Penns Grove-Carneys Point Regional School District  
Board of Education  
Penns Grove, Salem County  
New Jersey**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2023**

# **Annual Comprehensive**

## **Financial Report**

**of the**

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

**Board of Education**

**Penns Grove, New Jersey**

**For the Fiscal Year Ending June 30, 2023**

**Prepared by**

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

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

## INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

## FINANCIAL SECTION

<b>Independent Auditor's Report</b>	7-10
-------------------------------------	------

<b>Required Supplementary Information – Part I Management’s Discussion and Analysis</b>	12-19
---	-------

### Basic Financial Statements

A. District-Wide Financial Statements:	
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	26
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds:	
B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	29
B-6 Statement of Cash Flows	30
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

<b>Notes to the Financial Statements</b>	32-60
--	-------

### Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	63-74
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	75
<b>Notes to Required Supplementary Information-Part II</b>	
C-3 Budget-to-GAAP Reconciliation	76

## OUTLINE OF ACFR

<b>Required Supplementary Information – Part III</b>	<u>Page</u>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L- Schedule of the District's Proportionate Share of the Net Pension Liability	77
L-2 Schedule of District Contributions	78
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	79
 <b>Notes to Required Supplementary Information - Part III</b>	 80
 <b>Other Supplementary Information</b>	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
D-4 Schedule of DEOA Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	83-86
E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	87
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	89
F-2 Summary Schedule of Revenues and Expenditures	90
F-2a Schedule of Project Revenues and Expenditures-Auditorium & Lab Renovation	91
F-2b Schedule of Project Revenues and Expenditures-Lafayette-Pershing Site Expansion	92
G. Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	See B-4
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3 Combining Statement of Cash Flows	See B-6
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

## OUTLINE OF ACFR

<b>Other Supplementary Information-(Continued)</b>		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	96
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Budgetary Comparison Schedule Debt Service Fund	97

## STATISTICAL SECTION (Unaudited)

### Introduction to the Statistical Section

#### Financial Trends

J-1	Net Position by Component	99
J-2	Changes in Net Position	100-101
J-3	Fund Balances - Governmental Funds	102
J-4	Changes in Fund Balances - Governmental Funds	103
J-5	General Fund Other Local Revenue by Source	104

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	105-106
J-7	Direct and Overlapping Property Tax Rates	107-108
J-8	Principal Property Taxpayers	109-110
J-9	Property Tax Levies and Collections	111

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type	112
J-11	Ratios of General Bonded Debt Outstanding	113
J-12	Direct and Overlapping Governmental Activities Debt	114
J-13	Legal Debt Margin Information	115

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics	116
J-15	Principal Employers	117

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	118
J-17	Operating Statistics	119
J-18	School Building Information	120
J-19	Schedule of Required Maintenance Expenditures by School Facility	121
J-20	Insurance Schedule	122

## OUTLINE OF ACFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	124-125
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by <i>Uniform Guidance</i> and <i>New Jersey OMB's circular 15-08</i>	126-128
K-3	Schedule of Expenditures of Federal Awards, Schedule A	129
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	130
K-5	Notes to the Schedules of Awards and Financial Assistance	131-132
K-6	Schedule of Findings and Questioned Costs	133-136
K-7	Summary Schedule of Prior Audit Findings	137

## **Introductory Section**

# Penns Grove – Carneys Point Regional School District

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December 5, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Penns Grove-Carneys Point Regional School District. To the best of our knowledge and belief; the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof; for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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



### Single Audit Section:

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

### REPORTING ENTITY AND ITS SERVICES

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

#### General

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

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

#### Facilities

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

#### Staff

The faculty and staff for the School District consists of a superintendent, a business administrator, ten directors/supervisors, five principals, three assistant principals and a staff of 216 teachers/professional positions serving a total enrollment of 2167 students, as of June, 2023. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 32 instructional and non-instructional aides, 25 cafeteria workers, 26 full-time secretaries, 41 maintenance/custodial staff, and 5 technology staff.

### ECONOMIC CONDITION AND OUTLOOK

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

### MAJOR INITIATIVES

#### 1. District Statement of Priorities

*Our Mission – Building a School Community of Leaders and Achievers*

- Maintaining Our School System

The Penns Grove- Carneys Point Regional School District is on a journey to accelerate learning, address academic gaps and deficiencies, and provide meaningful, student-centered opportunities for engagement while preparing learners for success in higher education and their chosen careers. The district will continue to work with staff to ensure that the physical school environment is clean, safe, welcoming, accessible, and culturally responsive for all students. For SEL/behavior support and to ensure the safety of our students and staff, the district will maintain the protocols that are supporting their mental health with the implementation of the social and emotional learning programs, SILAS (Acct #-Title IV: 20-280-100-600-CD, \$31, 000) and TeacherCoach (Acct #- ESSER 20-487- 200-300, \$24,000). At the middle school, the district is implementing (ChanceLight) Ombudsman Learning Program (Acct #: 11-190-100-320 \$324,450) and looks to continue the Achieve Beyond High School program for at-risk High School students to complete the NJDOE-mandated requirements for graduation, and extended day tutoring programs ( Acct#: 20-487- 100-100, \$102, 268) throughout the district.

- Raising Standards and Expanding Opportunities

Our Balanced Literacy Program scaffolds learning in reading, phonics, fluency, and vocabulary to access complex information in literacy text while incorporating the writing skills necessary to be successful writers across all content areas. Mathematics incorporates conceptual understanding and procedural fluency with active and personalized instructional lessons using a combination of application activities through small group instruction and web-based independent tasks. Web-based lessons are used to personalize instruction to address the needs of each learner at their proficiency level. Assessments are built at every level to provide strategic teaching interventions for students below level, at the level, and above level. A student-learning plan is developed based on the data obtained from formative and summative assessments. During the 2023-2024 school year, the district will continue to refine its special education and response to intervention services to address the needs of students who are struggling academically and socially, and emotionally. The district has identified the need to improve our process for Tier identification and alignment of interventions to the corresponding tier level. (Acct. #:11-190-100-500-IT-X-00, \$43,300.00).The district has purchased the Intervention Manager Module from LinkIt and is contracting with LinkIt for consulting services that began in January 2023 and will continue in SY23-24 in an effort to elevate our multi-tiered system of support across the district and improve student achievement. The district will continue to provide opportunities for our teachers to work collaboratively during PLC using the (Acct.# Title II: 20-270-200-300-CD, \$80,000) Connected Action Roadmap (CAR) framework to develop standard-based instructional units and common assessments with NJPSA coaches. (Acct. #11-190-100-500-IT-X-00) Data teams will conduct data analysis from Start Strong, NJSLA, LinkIt, NWEA MAP benchmark assessments, running records, and anecdotal notes/observations to drive instruction The NWEA MAP Benchmarks being administered at each grade level, K-12, three times per year, we are adding the NWEA MAP Fluency assessment and dyslexia screener for grades K-2. We also continue administering Reading Records at the elementary levels and Level Sets using Achieve 3000 at the middle and high school levels. These subscriptions will be renewed for SY 23-24. The Penns Grove school district has been facilitating activities to engage the school and community to improve the school climate and culture. Data drive decisions around school climate are ensured through the use of the New Jersey School Climate Improvement Platform. The comprehensive survey instrument helps our schools understand their school climate needs and strengths from the perspectives of students, families, and staff.

- Building Professionalism

To build professionalism, professional learning will be relevant and rigorous based on areas of data analysis, NJ Learning Standards, assessment, and best practices in classroom instruction. PD will focus on: (Acct.# 11-00-223-5-XX {out district}; 3-XX {in-district}) -High-quality instructional

***Our Mission – Building a School Community of Leaders and Achievers***

planning through the collaborative work of Professional Learning Communities (PLCs) and CAR (Title II). -Effective Use of Technology related to instructional technology/software available in the district (i.e. Achieve 3000, LinkIt Data Lockers) -Additional professional learning opportunities for elementary teachers to support the third year of implementation for My View, the district's elementary ELA core program –Building capacity for addressing Social Emotional Learning across the district as well as tending to the social-emotional well-being of staff and students -We are enhancing teacher efficacy in creating trauma-informed and culturally responsive classrooms (Title II- 20-270-200-300-CD, \$19,800). -Professional teaching capacity will continue to be evaluated through the Danielson Framework for Teaching. To support the ongoing communication and collaboration on the New Jersey Student Learning Standards, OnCourse Curriculum Builder Platform is used to develop, update and revise the K-12 curriculum guides. The OnCourse SGO Program will provide increased alignment of assessments to curricular goals for benchmarking student progress and house the district's evaluations. (Acct.# 11-190-100-500-IT-X-00 \$28,510.00) The district continues to provide coaching and mentoring training using services from, NJPSA Rowan University, Rutgers University, or Salem Community College.

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

Without using Capital Reserve, the district is planning several Capital Projects for 2023-2024 at a total budget of almost \$3,000,000. Projects include: (12-000-261-730) Lighting upgrades, (12-000-266-732) door access replacements, (12-000-400-450) concrete repairs, vestibule construction, gym floor replacement, and door replacements.

- Planning for the Future

The district is responsive to the changes in our community needs as well as options to accommodate increased enrollment across the district of our ESL/Bilingual population. During the 2022-2023 school year, the district contracted with Dr. Brooke Hoffman from Rowan University through consulting services to elevate our ESL/bilingual programming and services. Dr. Hoffman will be issuing a program report to inform how the district should move forward in SY 2023-2024. The district is planning to continue to work with Dr. Hoffman to move the district forward in this area (Acct #: Title III: 20-241-200-300-CD, \$15,800). The administrative team continues to articulate, brainstorm, and plan for long-range academic achievement to increase the number of students graduating from high school and pursuing further studies or a career. Furthering the Early College programs in our High School, the district will continue the collaboration between the Carver Foundation, Salem County Community College, and Penns Grove High School, providing extended days (Acct #: 20-231-100-100, 175,320 ) and summer school programs (Acct# - 11-422-100-101-CD, \$20,400).

## 2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the New Jersey Student Learning Standards in the 2022-2023 school year.

### Content Standards

### New Programs/Enhancements

#### Math

Penns Grove will allocate funds to support the content area of mathematics for the purpose of increasing student academic achievement through the delivery of high-quality instruction rooted in the New Jersey Student Learning Standards for mathematics. The district will continue to use NJSL-aligned enVisionmath 2.0 (Savvas Realize) for grades K through 5 as their core instructional

resource. Grades 6 through 12 will continue to use Reveal (McGraw Hill) in SY 23-24. The district has been using Glencoe Math Accelerated (McGraw Hill) for 7th grade Honors Math since SY 21-22 and will continue to offer this advanced course in 7th grade. The district plans to continue subscriptions for IXL and ALEKS. The programs will continue to be used within our tier system of support and are used for supplemental math resources for grades K through 12. IXL offers individualized, standards-based academic support as well as provides targeted assistance for students directly aligned to their NWEA MAP RIT score. Grades 6 through 12 will use ALEKS in SY 23-24 as a supplemental resource to their math curriculum, particularly in MathLab courses. The district is piloting Moby Max in SY 22-23. MobyMax is currently being used as a tier II and III intervention for students whose skill level is far below grade level. The target audience for this pilot is special education students in grades 6 through 8 (Acct #: Title I: 20-231-100-600-XX, \$2000). In addition, the district plans to continue their BrainPop, BrainPop Jr., and Brainpop ELL (Acct #:24-83- 100-600-DW, \$2,412.75 ) subscriptions for grades K through 5. In anticipation of the release of updated math NJSLS, the district will allocate funds to support the audit and revision of the Kindergarten through grade 12 mathematics curriculum is necessary to ensure the inclusion of mandated initiatives as well as 21st-century skills to differentiate the individual needs of our diverse learners through research-based best-practices. (Acct.#:11-000-221-104-CD-0, \$20,000.00).

### Science

The district continues to use Mystery Science, an inquiry-based and NJSLS Science-aligned program that serves as the foundation for our K-5 curriculum. Consumable materials continue to be replenished annually as needed. In grades 6 through 8, the district implements the NJSLS Science-aligned curriculum offered through OpenSciEd. Consumable materials continue to be replenished annually for the science kits to support the OpenSciEd curriculum as needed. In SY 22-23, specific high school science courses adopted texts offered through McGraw Hill to use as a supplemental resource for classroom teachers. The use of McGraw Hill for AP Chemistry, Environmental Science, and Botany will continue in SY 23-24. For these courses, as well as all other science courses for grades 9 through 12, consumable materials continue to be replenished annually as needed. The audit and revision of the Kindergarten through grade 12 science curriculum are necessary to ensure the inclusion of the crosscutting concepts outlined in the Next Generation Science Standards, interdisciplinary practices, as well as mandated initiatives such as the inclusion of Social Emotional Learning Competencies and other learning standards mandates(Acct.#:11-000-221-104-CD, \$20,000.00 ).

### English Language Arts

In anticipation of the release of updated ELA NJSLS, Curriculum revisions are taking place to align (Acct.#:11-000-221-104-CD-0, \$25,000.00). Teachers in grades 6-12 have been working with coaches from New Jersey Principals and Supervisors Association with the Connected Action Roadmap process since SY 21-22. The district expanded coaching for instructional planning with NJPSA for SY 22-23 to include all grade levels. This coaching will continue for SY 23-24. The Creative Curriculum will continue to be implemented in Pre-Kindergarten and Kindergarten classrooms to provide authentic learning tasks as part of the NJGROW and NJKEA Early Childhood Initiative from the NJDOE. The Zaner Bloser, Reading Horizons is being implemented in grades pk-3 (Acct#: Title I- 20-231-100-600 XX, \$ 22,943.41). Staff will continue to receive professional development on these core instructional programs. K-2 classrooms are using Reading Horizons to improve word study/phonics, handwriting, and spelling instruction. Teachers will need training in this program. Reading Horizons has released a new phonemic awareness component; the district will purchase those for teachers. The Lexia learning program is utilized in grades 1-8 to eliminate gaps in literacy skills. The district continues to use MyView materials for literacy instruction in grades K-5 and Actively Learn in grades 6-12 to support a novel-based study curriculum. We also use Lexia, Core 5 in grades K-5, and Lexia PowerUp in grades 6-8 to supplement literacy instruction. Also,

Achieve 3000 is used in grades 6-12 (Acct#: Title I- 20-231-100-600 XX, \$58,523) to increase students Lexile levels and support English language arts. We used Lexia English for our ELL population grades K-12 for SY 22-23; however, it was decided that this was most beneficial for grades 6-12. Therefore, for SY 23-24 we will only be using Lexia English for grades 6-12 (Acct# Title I- 20-231-100-600 XX, \$61,200). WIDA screeners for Kindergarten kits are utilized to ensure accurate instructional placement for ESL/ bilingual students. The Targeted Assistance Program provides course time in addition to the general education course in grades 3-12 to target skill deficiencies.

### Social Studies

Social Studies teachers have been working with coaches from New Jersey Principals and Supervisors Association with the Connected Action Roadmap process, creating a curriculum aligned to the new standards and legislative requirements inclusive of Social Studies. A curricular focus will be enriching courses to foster global and culturally aware citizens by including multicultural voices, experiences, and societal contributions from minority figures. We will make additional purchases to support the curriculum, including Social Studies-related mentor texts, texts to support the Amistad and Holocaust and other state mandates, online resources, and primary source materials. The district will work on creating an African American History elective course to add to course offerings for social studies. Also, we enhanced our dual credit agreements with Salem Community College. Making adjustments to lessons, activities, and resources, so it is possible we will need to purchase additional resources in 23-24 to support these revisions.

### 21st Century Life and Careers

Introductory career readiness, life literacy, and skills lessons are embedded throughout the district's K-8 curriculum. The high school utilizes Naviance, the college planning and career assessment tool, along with 21st-century learning stations to align student strengths and interests to make informed decisions about their future. Additionally, the Early College High School (ECHS) program was added to Penns Grove High School in the 2020/2021 school year. It allows students to complete college-level courses through Salem Community College while meeting high school graduation requirements by following a sequence of dual-credit courses in their selected program of study as part of their regular school day at Penns Grove High School. Next year, the district will extend the ECHS Program (Acct # ESSER) offerings which will students, in grades 9 through 12. Furthermore, Project Lead The Way (PLTW) courses were added to the Engineering Academy (Acct # 61-990-100-100-HS-0, \$54,000.00). Introduction to Engineering was added in 2019 and Civil Engineering and Architecture and Principles of Engineering were added in 2020. These courses are dual credit courses that bring the Engineering Academy students closer to meeting Associate Degree requirements; promoting equity through achievement. As these programs expand to incorporate more classes and students, more financial resources are necessary to cover the costs of the program including tuition and transportation associated with these programs, and ensure that students have continued access.

### Visual and Performing Arts

A considerable amount of time and collaboration is placed on creating a curriculum aligned to the new standards and legislative requirements inclusive of Visual and Performing Arts. VPA teachers will be provided with professional development opportunities and articulation opportunities to support them in light of the changes to our curriculum with respect to dance

and theater. Interdisciplinary connections will continue by presenting visual and performing art shows to the staff, students, and community. Visual and Performing Arts students will enter competitions, showcase events, and perform at community events. As the teachers continue to implement the lessons from the Dance resources, it is possible the district may need to purchase supplies to support those lessons. All District visual and performing arts programs will continue to be maintained. In addition, we enhanced our dual credit agreements with Salem Community College.

#### Comprehensive Health and Physical Education

Penns Grove Carneys Point Regional School District continues to revise the Comprehensive Health and Physical Education curricula. A considerable amount of time and collaboration has been placed on creating a curriculum aligned to the new standards and legislative requirements inclusive of Comprehensive Health and Physical Education courses. We adjusted the schedule to offer more time for physical activity. The district will continue to provide Adaptive Physical Education for students with physical handicaps, offering an alternative custom education for students with special needs. The allocation of funds to maintain a robust physical education program with additional supplies, resources, and PD is warranted for SY23-24.

#### World Languages

Penns Grove Carneys Point Regional School District continues to revise the World Language curricula to align with the 2020 New Jersey Student Learning Standards. The World Language teachers continue to use Chromebooks and Google Classroom as digital tools in their instruction. This provides students with access to culturally authentic materials (allowing students to hear native speakers, view native-speaking countries, and vicariously and virtually experience cultural events). The World Language teachers meet to articulate and share best practices they are using in their classrooms. In addition, efforts will continue to increase student participation in the Seal of Biliteracy (Acct.# 11-000-218-390-CD-0, \$1000.00) and for students to take level 3 and 4 courses. The district has increased efforts in recruitment efforts for world language and ESL/bilingual teachers through the increase of acceptance of practicum placements with Rowan University, advertisement through various job recruitment platforms, ex: NJschools.com, and attendance at career fairs.

#### Technological Literacy

The curriculum will continue to be aligned to the 2020 version of the New Jersey Student Learning Standards -Computer Science and Design Thinking (8.1 & 8.2) along with NJSLs-Life Literacies and Key Skills (9.4). The audit and revision of all Kindergarten through grade 12 curricula are necessary to ensure student learning experiences produce computationally literate creators who can address real-world problems and design creative solutions. The AP Computer Science course teaches topics such as programming, algorithms, big data, digital privacy and security, and the societal impacts of computing. Additionally, the STREAM teacher builds critical thinking skills as part of hands-on projects through the use of the Engineering Design Process. Teachers will continue to receive professional development in specific content area connected to the implementation of standard 8. All classroom teachers continue to use Chromebooks and the Google suite as digital tools in their instruction.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

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

## **ACCOUNTING SYSTEM AND REPORT**

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

## **OTHER INFORMATION**

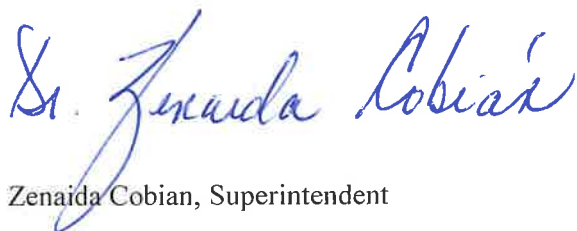
### ***INDEPENDENT AUDIT***

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

ACKNOWLEDGEMENTS

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

Respectfully Submitted,



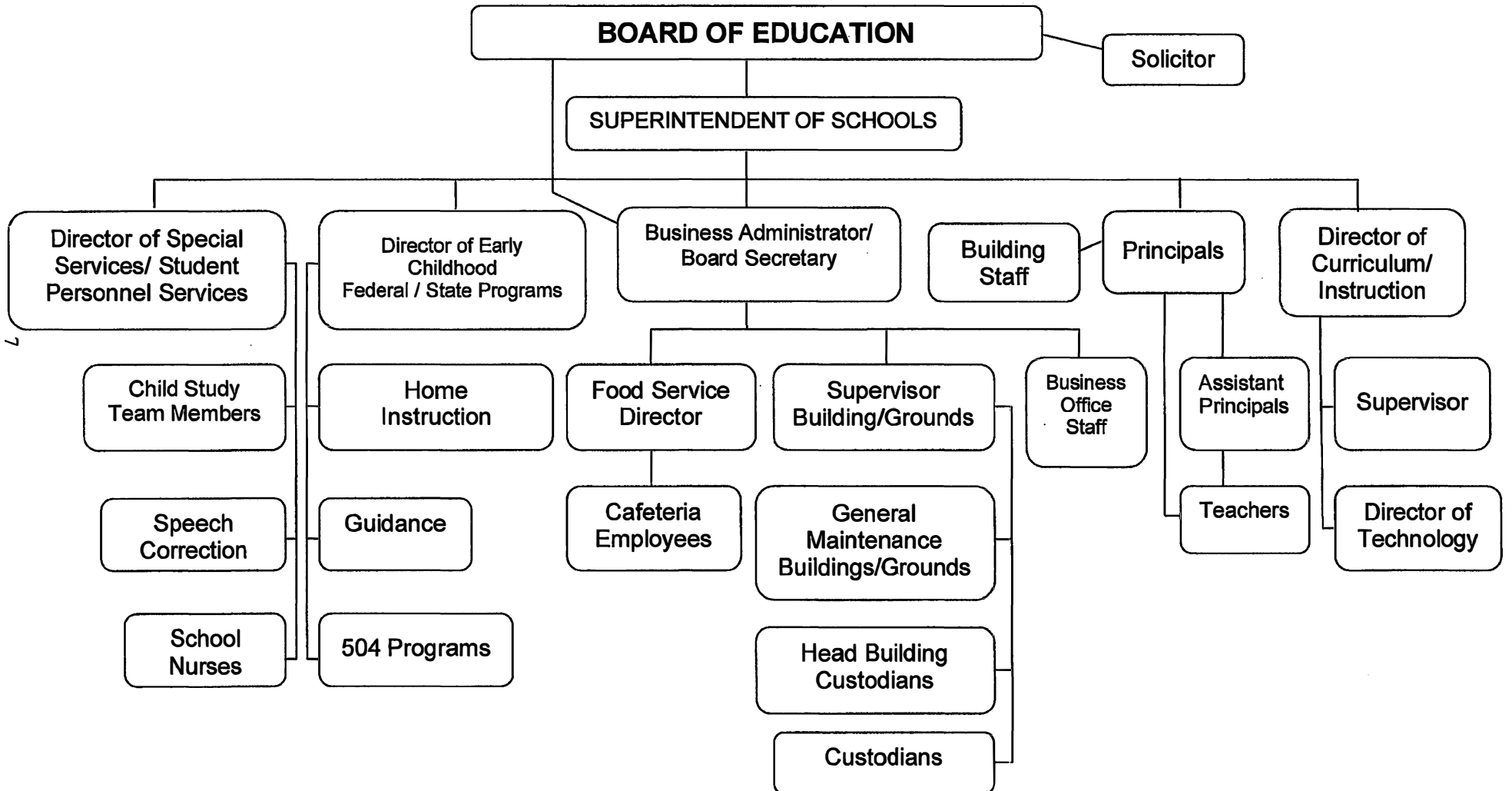
Zenaida Cobian, Superintendent



Christopher DeStratis, School Business Administrator/Board Secretary



# Penns Grove – Carneys Point Regional School District



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Shameka Turner, President	2025
John L. Ashcraft, Vice President	2023
Adrienne Dixon	2023
Nicolas J. Simmens	2025
Casey Stefanski	2024
Norma Alestock	2024
Vicki Smith	2025
Marcia Smith	2024
Joseph M. Tighe, Sr.	2024

**Other Officials**

Dr. Zenaida Cobian, Superintendent

Christopher DeStratis, School Business Administrator

Mark G. Toscano, Esq. - Solicitor

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHTECT**

**Garrison Architects**  
1400F Commerce Parkway  
Mount Laurel, New Jersey 08054

**AUDIT FIRM**

**Ardito & Company LLC**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825

**ATTORNEY**

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

**BOND COUNSEL**

**McManimon & Scotland and Baumann, LLC**

One Riverfront Plaza, 4th Floor  
Newark, NJ 07102

**FISCAL AGENT**

**Depository Trust**

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

**OFFICIAL DEPOSITORIES**

**Pennsville National Bank**

PO Box 345  
Pennsville, New Jersey 08070

**Fulton Bank of New Jersey**

221 Shell Road  
Carneys Point, New Jersey 08069

**FINANCIAL ADVISORS**

**Phoenix Advisors, LLC**

4 West Park Street  
Bordentown, New Jersey 08505

## **Financial Section**

# **Independent Auditor's Report**



# **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. 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 Penns Grove-Carneys Point Regional School District Board of Education, 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.

-Continued-

## ***Emphasis of Matter***

### ***Restatement of Prior Period***

Due to the district conducting physical inventories of capital asset balances, net position as of June 30, 2022 on the Statement of Net Position and the Statement of Activities has been restated. The inventory revealed capital asset activity that that should have been recorded as of June 30, 2022 due to unsubstantiated valuations remaining on the fixed asset ledgers.

### ***Responsibilities of Management for the Financial Statements***

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

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 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 generally accepted auditing standards 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 generally accepted auditing standards and ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 District's internal control. Accordingly, no such opinion is expressed.

-Continued-

- 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 District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted 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 Penns Grove-Carneys Point Regional School District Board of Education's basic financial statements. The combining and individual non-major fund financial statements, long-term debt schedules, and the schedule 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*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are 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

-Continued-



the United States of America. In our opinion, the combining and individual non-major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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 December 5, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

December 5, 2023

*Anthony Ardito*

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

December 5, 2023

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The discussion and analysis of Penns Grove-Carneys Point Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$11,928,850 which represents a 785.1% increase from 2022.
- ◆ General revenues accounted for \$11,813,191 in revenue or 19.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$47,842,776 or 80.2% of total revenues of \$59,655,967.
- ◆ Total assets of governmental activities increased by \$15,327,900, as cash and cash equivalents increased by \$9,059,317, receivables decreased by \$863,237, and capital assets increased by \$4,884,460.
- ◆ The School District had \$47,727,117 in expenses; \$47,842,776 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,813,191 were also available to provide for these programs.
- ◆ Among major funds, the General Fund had \$52,034,507 in revenues and \$47,904,582 in expenditures. The General Fund's surplus balance increased \$4,129,925 over 2022, which compares favorably to the budgeted decrease of \$1,183,246.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Penns Grove-Carneys Point Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Penns Grove-Carneys Point Regional School District, the General Fund is by far the most significant fund.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Funds**

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2023 compared to 2022.

	<u>2023</u>	<u>2022</u>
<b>Table 1</b>		
<b>Net Position</b>		
<b>Assets</b>		
Current and Other Assets	\$ 30,492,192	\$ 20,048,752
Capital Assets	<u>11,791,805</u>	<u>6,907,345</u>
<b>Total Assets</b>	<u>42,283,997</u>	<u>26,956,097</u>
<b>Deferred Outflows of Resources</b>	<u>1,015,918</u>	<u>779,607</u>
<b>Liabilities</b>		
Long-Term Liabilities	4,956,504	5,095,509
Other Liabilities	<u>22,691,173</u>	<u>16,039,239</u>
<b>Total Liabilities</b>	<u>27,647,677</u>	<u>21,134,748</u>
<b>Deferred Inflows of Resources</b>	<u>2,203,951</u>	<u>5,081,519</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	7,591,805	2,347,345
Restricted	14,812,066	9,901,243
Unrestricted	<u>(8,955,584)</u>	<u>(10,729,151)</u>
<b>Total Net Position</b>	<u>\$ 13,448,287</u>	<u>\$ 1,519,437</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Total assets of governmental activities increased by \$15,327,900, as cash and cash equivalents increased by \$9,059,317, receivables decreased by \$863,237, and capital assets increased by \$4,884,460.

The cash increase was due to excess of budgeted revenues over expenditures of \$4.1 mil., net collection of federal grant receivables spent in the prior year of \$1.2 mil., increase in accounts payable of \$1.0 mil., preschool education aid received but unspent of \$1.0 mil, and \$1.3 mil. in prepaid fiscal 2024 tax levy.

Receivables decreased due to collection of covid federal grants that were spent in the prior year. Capital Assets increased due to capital improvements A183, net of depreciations expense.

Table 2 shows the changes in Net Position from fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 987,421	\$ 271,674
Operating Grants and Contributions	46,855,355	42,655,860
General Revenues:		
Property Taxes	11,401,824	11,643,636
Investment Earnings	176,805	1,021
Other	<u>234,562</u>	<u>454,629</u>
<b>Total Revenues</b>	<u>59,655,967</u>	<u>55,026,820</u>
<b>Program Expenses</b>		
Instruction	22,142,517	24,054,306
Support Services:		
Pupils and Instructional Staff	10,217,652	9,656,107
General Administration, School Administration, Business	4,515,125	4,533,770
Operations and Maintenance of Facilities	5,067,283	5,078,253
Pupil Transportation	3,539,936	3,213,845
Business-Type Activities	1,465,400	1,295,167
Interest, Fiscal Charges, and Unallocated Depreciation	<u>779,204</u>	<u>843,895</u>
<b>Total Expenses</b>	<u>47,727,117</u>	<u>48,675,343</u>
 Increase in Net Position	 <u>\$ 11,928,850</u>	 <u>\$ 6,351,477</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval in the form of ballot questions. Property taxes made up 25.8% percent of budgeted revenues for governmental activities for the Penns Grove-Carneys Point Regional School District for the fiscal year 2023.

Instruction comprises 46.4% of district expenses. Support services expenses make up 48.9% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 22,142,517	\$ (1,266,428)	\$ 24,054,306	\$ 351,513
Support Services:				
Pupils and Instructional Staff	10,217,652	(1,596,105)	9,656,107	1,024,282
General Admin., School Admin., Business	4,515,125	855,055	4,533,770	1,533,770
Operation and Maintenance of Facilities	5,067,283	959,621	5,078,253	1,578,253
Pupil Transportation	3,539,936	670,379	3,213,845	1,213,845
Business-Type Activities	1,465,400	(430,564)	1,295,167	(797,749)
Interest and Fiscal Charges	<u>779,204</u>	<u>692,383</u>	<u>843,895</u>	<u>843,895</u>
<b>Total Expenses</b>	<u>\$ 47,727,117</u>	<u>\$ (115,659)</u>	<u>\$ 48,675,343</u>	<u>\$ 5,747,809</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service and for providing academic and technical needs for high school students..

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

The dependence upon tax revenues is apparent. Over 24.6% of expenditures are supported with tax revenues. The community, as a whole, provides significant support for the Penns Grove-Carneys Point Regional School District.

**The School District's Funds**

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$61,769,137 and expenditures of \$57,631,370. The General Fund's surplus balance increased \$4,129,925 over 2022, which compares favorably to the budgeted decrease of \$1,183,246.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$44,046,814, \$273,386 over original budgeted estimates of \$43,773,428. This difference was due primarily to an increase in non-budgeted miscellaneous revenues, which included interest earned, refunds from prior periods, and homeless tuition.

General fund revenues exceeded expenditures by \$4,433,154. Again this surplus compares to a budgeted deficit of \$1,183,246. The budgeted deficit was reduced due to under spending of the operating budget in the areas of Instruction, Related Service, Plant Maintenance, Tuition, and Benefits, as well as miscellaneous revenue increases as noted in the preceding paragraph.

Overall general fund balance (budget basis) was \$15,887,317, and amounts ear-marked and reserved for future purposes were \$15,054,372, creating a surplus in unreserved fund balance of \$832,945. This is the maximum unreserved amount allowed by law. Management believes the district can maintain unreserved fund balances at or near the statutory maximum level.



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$11,594,609 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Buildings and Improvements	8,748,528	4,115,014
Machinery and Equipment	<u>2,846,081</u>	<u>2,561,553</u>
Totals	<u>\$ 11,594,609</u>	<u>\$ 6,676,567</u>

Overall capital assets increased \$4,918,042 from fiscal year 2022 to fiscal year 2023.

\$5,506,356 in Capital improvements were purchased during fiscal year 2023 and consisted of HVAC renovations, surveillance upgrades, and other various improvements and equipment.

**Debt Administration**

At June 30, 2023, the School District had \$12,474,504 as outstanding long term debt. Of this amount, \$4,200,000 is for bonds payable, \$7,158,000 is for grant anticipation notes, and \$1,116,504 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$24,579,686 and the unvoted debt margin was the same.

**For the Future**

The Penns Grove-Carneys Point Regional School District is in good financial condition presently. A major concern is the lack of enrollment growth of the District as state aid is based on enrollment. This places an increased reliance on local property taxes. However, future finances are not without challenges as the budget costs continue to grow.

The Penns Grove-Carneys Point Regional School District ratable base has decreased almost 12% over the last ten years placing a larger burden on current taxpayers to foot the tax bills.

In conclusion, the Penns Grove-Carneys Point Regional School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Christopher Destratis, School Business Administrator/Board Secretary at Penns Grove-Carneys Point Regional School District, 100 Iona Ave., Penns Grove, NJ 08069 or visit our website at [www.pgcpschools.org](http://www.pgcpschools.org).

# Basic Financial Statements

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

## STATEMENT OF NET POSITION

June 30, 2023

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,110,789	\$ 418,663	\$ 6,529,452
Receivables, Net	12,212,903	67,635	12,280,538
Interfund Receivable		2,241,738	2,241,738
Inventory		20,490	20,490
Restricted Assets:			
Capital Reserve Account - Cash	6,973,888		6,973,888
Maintenance Reserve Account - Cash	2,446,086		2,446,086
Capital Assets, Net (Note 5)	11,594,609	197,196	11,791,805
<b>Total Assets</b>	<b>39,338,275</b>	<b>2,945,722</b>	<b>42,283,997</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	1,015,918		1,015,918
<b>LIABILITIES</b>			
Accounts Payable	2,671,942	2,000	2,673,942
Premium on Grant Anticipation Note	69,934		69,934
Accrued Interest Payable	43,675		43,675
Due to Other Governments			
Payroll Deductions and Withholdings Payable	333,402		333,402
Unemployment Claims Payable	4,611		4,611
Interfund Payable	2,241,738		2,241,738
Net Pension Liability (Note 8)	7,510,528		7,510,528
Unearned Revenue	2,281,255	14,088	2,295,343
Noncurrent Liabilities (Note 6):			
Due Within One Year	7,518,000		7,518,000
Due Beyond One Year	4,956,504		4,956,504
<b>Total Liabilities</b>	<b>27,631,589</b>	<b>16,088</b>	<b>27,647,677</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	2,203,951		2,203,951
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	7,394,609	197,196	7,591,805
Restricted for:			
Other Purposes	14,812,066		14,812,066
Unrestricted	(11,688,022)	2,732,438	(8,955,584)
<b>Total Net Position</b>	<b>\$ 10,518,653</b>	<b>\$ 2,929,634</b>	<b>\$ 13,448,287</b>

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 16,348,298	\$ 169,308	\$ 18,542,704		\$ 2,363,714		\$ 2,363,714
Special Education	4,296,414	44,495	3,438,281		(813,638)		(813,638)
Other Special Instruction	910,896	9,434	728,961		(172,501)		(172,501)
Other Instruction	586,909	6,078	469,684		(111,147)		(111,147)
Support Services:							
Tuition	3,120,536	32,317	2,497,263		(590,956)		(590,956)
Student & Instruction Related Serv.	7,097,116	73,500	9,210,677		2,187,061		2,187,061
School Administrative Services	1,853,899	19,200	1,483,616		(351,083)		(351,083)
General and Business Admin. Serv.	2,661,226	27,561	2,129,693		(503,972)		(503,972)
Plant Operations and Maintenance	5,067,283	52,479	4,055,183		(959,621)		(959,621)
Pupil Transportation	3,539,936	36,661	2,832,896		(670,379)		(670,379)
Interest and charges on Long-term Debt	190,890				(190,890)		(190,890)
Unallocated Depreciation	588,314		86,821		(501,493)		(501,493)
Total Governmental Activities	46,261,717	471,033	45,475,779		(314,905)		(314,905)
Business-Type Activities:							
Food Service	1,442,683	241,689	1,379,576			\$ 178,582	178,582
Academy Program	22,717	274,699	-			251,982	251,982
Total Business-Type Activities	1,465,400	516,388	1,379,576		-	430,564	430,564
Total Primary Government	\$ 47,727,117	\$ 987,421	\$ 46,855,355		\$ (314,905)	\$ 430,564	\$ 115,659
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,900,000		\$ 10,900,000
Property Taxes, Levied for Debt Service					501,824		501,824
Investment Earnings					176,805		176,805
Miscellaneous Income					234,003	\$ 559	234,562
Transfers					-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					11,812,632	559	11,813,191
Change in Net Position					11,497,727	431,123	11,928,850
Net Position—Beginning					28,202,830	2,458,550	30,661,380
Prior Period Adjustment (Note: 20)					(29,181,904)	39,961	(29,141,943)
Net Position—Beginning (As Restated)					(979,074)	2,498,511	1,519,437
<b>Net Position—Ending</b>					<b>\$ 10,518,653</b>	<b>\$ 2,929,634</b>	<b>\$ 13,448,287</b>

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

## **FUND FINANCIAL STATEMENTS**

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 12,780,906	\$ 2,066,412	\$ 683,445	\$ 15,530,763
Receivables from Other Governments	477,080	3,923,124	7,279,894	11,680,098
Other Receivables	532,805			532,805
Interfund Receivables	3,784,278		2,142	3,786,420
<b>TOTAL ASSETS</b>	<b>\$ 17,575,069</b>	<b>\$ 5,989,536</b>	<b>\$ 7,965,481</b>	<b>\$ 31,530,086</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 347,714	\$ 2,324,228		\$ 2,671,942
Grant Anticipation Note			\$ 7,158,000	7,158,000
Premium on Grant Anticipation Note			69,934	69,934
Payroll Deductions and Withholdings Payable	333,402			333,402
Unemployment Compensation Claims Payable	4,611			4,611
Interfund Payable	2,786,756	2,892,125	349,277	6,028,158
Deferred Revenue	1,324,044	957,211		2,281,255
<b>Total Liabilities</b>	<b>4,796,527</b>	<b>6,173,564</b>	<b>7,577,211</b>	<b>18,547,302</b>
<b>Fund Balances:</b>				
<u>Restricted for:</u>				
Maintenance Reserve	2,446,086			2,446,086
Capital Reserve Account	6,973,888			6,973,888
Excess Surplus	1,578,466			1,578,466
Excess Surplus - Designated for Subs. Years	2,473,325			2,473,325
Unemployment Compensation	290,726			290,726
Capital Projects Fund			388,270	388,270
Student Activities		60,910		60,910
<u>Assigned to:</u>				
Year-End Encumbrances	691,486			691,486
General Fund - Designated for Subsequent Year's Expenditures	600,395			600,395
<u>Unassigned:</u>				
General Fund	(2,275,830)			(2,275,830)
Special Revenue Fund		(244,938)		(244,938)
<b>Total Fund Balances</b>	<b>12,778,542</b>	<b>(184,028)</b>	<b>388,270</b>	<b>12,982,784</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 17,575,069</b>	<b>\$ 5,989,536</b>	<b>\$ 7,965,481</b>	<b>\$ 31,530,086</b>

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 \$16,007,529 and the accumulated depreciation is \$4,412,920.	\$ 11,594,609
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	1,015,918
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(2,203,951)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(7,510,528)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 6)	(43,675)
Long-term liabilities, including Bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(5,316,504)
Net Position of governmental activities (Exhibit A-1)	<u>\$ 10,518,653</u>

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



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
**GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
<b>Local sources:</b>					
Local Tax Levy	\$ 10,900,000			\$ 501,824	\$ 11,401,824
Tuition	471,033				471,033
Miscellaneous	255,601	\$ 149,123	\$ 6,084		410,808
<b>Total - Local Sources</b>	<b>11,626,634</b>	<b>149,123</b>	<b>6,084</b>	<b>501,824</b>	<b>12,283,665</b>
<b>State Sources</b>	40,298,900	1,766,678	86,821		42,152,399
<b>Federal Sources</b>	108,973	7,224,100			7,333,073
<b>Total Revenues</b>	<b>52,034,507</b>	<b>9,139,901</b>	<b>92,905</b>	<b>501,824</b>	<b>61,769,137</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular Instruction	10,617,816	2,355,773			12,973,589
Special Education Instruction	3,409,524				3,409,524
Other Special Instruction	722,864				722,864
Other Instruction	465,756				465,756
Support services and undistributed costs:					
Tuition	2,476,377				2,476,377
Student and Instruction Related Services	3,644,095	3,531,085			7,175,180
School Administrative Services	1,471,207				1,471,207
Other Administrative Services	2,111,881				2,111,881
Plant Operations and Maintenance	4,021,266				4,021,266
Pupil Transportation	2,809,202				2,809,202
Unallocated Benefits	15,122,912				15,122,912
Transfer to Charter School	353,857				353,857
<b>Debt Service:</b>					
Principal				360,000	360,000
Interest and Other Charges				141,824	141,824
<b>Capital Outlay</b>	677,825	3,338,106			4,015,931
<b>Total Expenditures</b>	<b>47,904,582</b>	<b>9,224,964</b>	<b>-</b>	<b>501,824</b>	<b>57,631,370</b>
Excess (Deficiency) of Revenues Over Expend.	4,129,925	(85,063)	92,905	-	4,137,767
Net Change in Fund Balances	4,129,925	(85,063)	92,905	-	4,137,767
Fund Balance—July 1	8,648,617	(98,965)	295,365	-	8,845,017
Prior Period Adjustment	-	-			-
Fund Balance—July 1 (Restated)	8,648,617	(98,965)	295,365	-	8,845,017
<b>Fund Balance—June 30</b>	<b>\$ 12,778,542</b>	<b>\$ (184,028)</b>	<b>\$ 388,270</b>	<b>-</b>	<b>\$ 12,982,784</b>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 4,137,767

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

	Depreciation Expense	\$ (588,314)	
	Capital Outlays	<u>5,506,356</u>	4,918,042

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

2,299,313

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.

360,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which the prior year's amount of interest accrual exceeds the current year's amount.

3,600

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(220,995)

**Change in Net Position of Governmental Activities (Exhibit A-2)** \$ 11,497,727

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

**STATEMENT OF PROPRIETARY NET POSITION  
PROPRIETARY FUNDS**

June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Academy Program</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$ 418,663		\$ 418,663
Accounts Receivable	67,635		67,635
Interfund Accounts Receivable	768,228	\$ 1,473,510	2,241,738
Inventories	20,490	-	20,490
<b>Total Current Assets</b>	<b>1,275,016</b>	<b>1,473,510</b>	<b>2,748,526</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	698,540	55,395	753,935
Less Accumulated Depreciation	(501,344)	(55,395)	(556,739)
<b>Total Noncurrent Assets</b>	<b>197,196</b>	<b>-</b>	<b>197,196</b>
<b>Total Assets</b>	<b>1,472,212</b>	<b>1,473,510</b>	<b>2,945,722</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable	-	2,000	2,000
Deferred Revenue	14,088	-	14,088
<b>Total Current Liabilities</b>	<b>14,088</b>	<b>2,000</b>	<b>16,088</b>
<b>Total Liabilities</b>	<b>14,088</b>	<b>2,000</b>	<b>16,088</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	197,196	-	197,196
Unrestricted	1,260,928	1,471,510	2,732,438
<b>Total Net Position</b>	<b>\$ 1,458,124</b>	<b>\$ 1,471,510</b>	<b>\$ 2,929,634</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Academy Program</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>			
Charges for Services:			
Daily Sales - Reimbursable	\$ 241,689		\$ 241,689
Program Income		\$ 274,699	274,699
Miscellaneous Income	559	-	559
<b>Total Operating Revenues</b>	<u>242,248</u>	<u>274,699</u>	<u>516,947</u>
 <b>Operating Expenses:</b>			
Cost of Sales - Reimbursable Programs	866,062	-	866,062
Cost of Sales - Non-reimbursable Programs	323,809	-	323,809
Salaries	201,357	2,000	203,357
Purchased Services	-	18,396	18,396
Cleaning, Repair and Maintenance Services	19,927	268	20,195
Depreciation	31,528	2,053	33,581
<b>Total Operating Expenses</b>	<u>1,442,683</u>	<u>22,717</u>	<u>1,465,400</u>
 Operating Income (Loss)	<u>(1,200,435)</u>	<u>251,982</u>	<u>(948,453)</u>
 <b>Nonoperating Revenues (Expenses):</b>			
State Sources:			
State School Lunch Program	42,922	-	42,922
Federal Sources:			
National School Lunch Program	847,619	-	847,619
National School Breakfast Program	333,576	-	333,576
National School Snack Program	31,437	-	31,437
Supply Chain Assistance	22,693	-	22,693
Food Distribution Program	101,329	-	101,329
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,379,576</u>	<u>-</u>	<u>1,379,576</u>
 Income (Loss) Before Contributions and Transfers	179,141	251,982	431,123
 Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	179,141	251,982	431,123
 Net Position—Beginning	1,239,022	1,219,528	2,458,550
Prior Period Adjustment (Note: 20)	39,961	-	39,961
Net Position—Beginning (As Restated)	1,278,983	1,219,528	2,498,511
 <b>Total Net Position—Ending</b>	<u>\$ 1,458,124</u>	<u>\$ 1,471,510</u>	<u>\$ 2,929,634</u>

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Academy Program</u></b>	<b><u>Total Enterprise</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 242,248	\$ 538,853	\$ 781,101
Payments to Employees	(201,357)	(2,000)	(203,357)
Payments to Suppliers	<u>(1,099,761)</u>	<u>(18,664)</u>	<u>(1,118,425)</u>
<b>Net Cash Provided by (used for) Operating Activities</b>	<b><u>(1,058,870)</u></b>	<b><u>518,189</u></b>	<b><u>(540,681)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	42,295		42,295
Federal Sources	1,278,219		1,278,219
Operating Subsidies and Transfers from Other Funds	<u>144,074</u>	<u>(518,189)</u>	<u>(374,115)</u>
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b><u>1,464,588</u></b>	<b><u>(518,189)</u></b>	<b><u>946,399</u></b>
Net Increase (Decrease) in Cash and Cash Equivalents	405,718	-	405,718
Balances—Beginning of Year	<u>12,945</u>	<u>-</u>	<u>12,945</u>
<b>Balances—End of Year</b>	<b><u>\$ 418,663</u></b>	<b><u>-</u></b>	<b><u>\$ 418,663</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>			
Operating Income (Loss)	\$(1,200,435)	\$ 251,982	\$ (948,453)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	31,528	2,053	33,581
Federal Commodities	101,329		101,329
(Increase) Decrease in Accounts Receivable	2,176	264,154	266,330
(Increase) Decrease in Inventories	(5,622)	-	(5,622)
Increase (Decrease) in Accounts Payable	<u>12,154</u>	<u>-</u>	<u>12,154</u>
Total Adjustments	<u>141,565</u>	<u>266,207</u>	<u>407,772</u>
Net Cash Provided by (used for) Operating Activities	<b><u>\$(1,058,870)</u></b>	<b><u>\$ 518,189</u></b>	<b><u>\$ (540,681)</u></b>

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

# **Notes to Financial Statements**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and included a phased-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions and GASB 98, Annual Comprehensive Financial Report. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

**A. Reporting Entity:**

The Penns Grove-Carneys Point Regional School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Penns Grove-Carneys Point Regional School District had an approximate enrollment at June 30, 2023, of 2,167 students.

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - This Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

**Academy Fund** - This Enterprise Fund accounts for the financial transactions related to providing academic and technical needs for high school students.

**Basis of Accounting**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

*District-wide, Proprietary, Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control (Continued):**

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

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

**D. Encumbrance Accounting:**

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

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

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

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**Capital Assets:**

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

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

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

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

**Compensated Absences:**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

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

For the District-wide Statements, the entire compensated absence liability is reported in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2023, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

All payables, accrued liabilities and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position:**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Fund Balance Reserves:**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Operating Revenues and Expenses:**

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents (A-1)</u>
Checking and Money Market Accounts	\$15,949,426
	<u>\$15,949,426</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$15,949,426 and the bank balance was \$20,189,833. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$254,800 was covered by federal depository insurances and \$19,935,033 was covered by collateral pool.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 3: RECEIVABLES**

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 7,737,450	\$ 7,739,752
Federal Aid	3,942,648	4,007,981
Gross Receivable	<u>11,680,098</u>	<u>11,747,733</u>
Tax Levies - Constituent Municipalities	246,126	246,126
Tuition Receivable	86,426	86,426
Homeless Aid	200,253	200,253
Less: Allow. for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 12,212,903</u>	<u>\$ 12,280,538</u>

**Note 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food & Supplies	<u>\$ 20,490</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**Note 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Buildings and Building Improvements	\$ 5,955,831	\$ 4,823,484		\$ 10,779,315
Machinery and Equipment	4,873,396	682,872	\$ (328,054)	5,228,214
Total at Historical Cost	<u>10,829,227</u>	<u>5,506,356</u>		<u>16,007,529</u>
Less Accumulated Depreciation for:				
Building and Improvements	(1,840,817)	(189,970)		(2,030,787)
Equipment	(2,311,843)	(398,344)	328,054	(2,382,133)
Total Accumulated Depreciation	<u>(4,152,660)</u>	<u>(588,314)</u>		<u>(4,412,920)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>6,676,567</u>	<u>4,918,042</u>		<u>11,594,609</u>
<b>Government Activity Capital Assets, Net</b>	<u>\$ 6,676,567</u>	<u>\$ 4,918,042</u>	-	<u>\$ 11,594,609</u>



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 5: CAPITAL ASSETS - (Continued)**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Unallocated	\$ 588,314
Total	<u>\$ 588,314</u>

During fiscal year 2023, the district conducted district-wide physical inventories of all identifiable capital assets. As a result book values that were unsubstantiated were eliminated from the detail records. Accordingly a prior period adjustment was required. See Note 20 for additional detail.

**Note 6: LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2023</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 4,560,000		(360,000)	\$ 4,200,000	\$ 360,000
Grant Anticipation Note	7,158,000	7,158,000	(7,158,000)	7,158,000	7,158,000
Other Liabilities:					
Compensated Absences Payable	895,509	220,995	-	1,116,504	
<b>Total</b>	<u>\$12,613,509</u>	<u>\$ 7,378,995</u>	<u>\$ (7,518,000)</u>	<u>\$ 12,474,504</u>	<u>\$ 7,518,000</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Grant anticipation notes, and compensated absences are liquidated by the general fund.

**B. Bonds Payable Debt Service Requirements:**

On February 18, 2016, the School District issued \$6,000,000 refunding school bonds at interest rates varying from 2.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2023 is \$4,200,000.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 6: LONG-TERM OBLIGATIONS (Continued)**

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/24	\$ 360,000	\$ 44	\$ 360,044
6/30/25	360,000	44	360,044
6/30/26	360,000	44	360,044
6/30/27	360,000	44	360,044
6/30/28	360,000	44	360,044
Thereafter	<u>2,400,000</u>	<u>44</u>	<u>2,400,044</u>
Total Bond Debt Service	<u>\$ 4,200,000</u>	<u>\$ 264</u>	<u>\$ 4,200,264</u>

**C. Grant Anticipation Note Payable:**

The District entered into a short-term Grant Anticipation Note on July 6, 2022 in the amount of \$7,158,000. The interest rate on the note is 4.0% and there is a note premium of \$69,934. On July 5, 2023 the note and accrued interest was paid and renewed in the amount of \$6,478,000 due on July 3, 2024 at an interest rate of 4.5%.

**Note 7: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**LITIGATION**

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

**Note 8: PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$70,441,527 as measured on June 30, 2022 and \$68,474,115 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,895,778 and revenue of \$1,895,778 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$68,474,115	\$70,441,527
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.142431%	0.136529%

*Actuarial assumptions* - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability                      \$ 60,591,896,759    \$ 51,676,587,303    \$ 44,166,559,329

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2022 was \$24,640,530,532.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amoounts) related to pensions will be recognized in the state's pension expense as follows:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

	<u>Year Ended June 30:</u>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total pension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2023, the District reported a liability of \$7,510,528 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.04977% which was a decrease of 0.00146% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$1,026,209). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 54,208	\$ 47,803
Changes of assumptions	23,270	1,124,623
Net difference between projected and actual earnings on pension plan investments	310,854	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,031,525
District contributions subsequent to the measurement date	627,586	
Total	<u>\$ 1,015,918</u>	<u>\$ 2,203,951</u>

\$627,586 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$1,491,789)
2024	(760,016)
2025	(370,645)
2026	808,608
2027	(1,776)
Total	<u>(\$1,815,619)</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$6,068,376	\$7,510,528
District's proportion %	0.05122507%	0.04976702%

*Actuarial assumptions* - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 9,648,828	\$7,510,528	\$ 5,690,748

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$683,016
Interest on total Pension liability	2,739,390
Benefit Changes	7,948
Member contributions	(569,597)
Administrative expens	12,233
Expected investment return net of investment expenses	(1,828,628)
Pension expense related to specific liabilities of individual employers	(9,812)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	32,429
Changes in assumptions	(2,047,707)
Difference between projected and actual investment earnings on pension plan investments	<u>(45,480)</u>
Total pension expense/(benefit)	<u>(\$1,026,209)</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

<u>Three-Year Trend Information for PERS</u>			
Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2023	\$627,586	100 %	-0-
6/30/2022	\$599,905	100 %	-0-
6/30/2021	\$579,472	100 %	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2023	\$5,622,044	100 %	-0-
6/30/2022	\$5,701,949	100 %	-0-
6/30/2021	\$4,221,583	100 %	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$7,098,367 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,192,555 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

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

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education.

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

*Actuarial assumptions and other imputes.* The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability:	\$	50,646,462,966		
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		Based on service years		

**(a) Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability wa 3.54%. 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.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

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

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2021</b>	<b>\$60,007,650,970</b>
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
<b>The State's Total OPEB Liability Balance at 6/30/2022</b>	<b><u>\$50,646,462,966</u></b>
<b>The State's total OPEB liability attributable to the District:</b>	<b>\$87,194,718</b>

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2022		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$1,192,896 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

**Note 10: DEFERRED COMPENSATION**

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

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

**Note 11: COMPENSATED ABSENCES**

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

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

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



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 12: INTERFUND RECEIVABLES AND PAYABLES**

After consolidation, the following interfund balances are presented on the District-Wide Statement of Net Position:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 2,241,738
Enterprise fund	\$ 2,241,738	
	<u>\$ 2,241,738</u>	<u>\$ 2,241,738</u>

These amounts represent cash advances to the general fund for investment purposes and for Academy Program activity transacted through the general fund.

**Note 13: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2022-2023	-	\$	81,852	\$ 77,241
2021-2022	\$ 14		97,778	\$ 88,558
2020-2021	29,423		47,915	\$ 53,812

**Note 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$12,778,542 General Fund fund balance at June 30, 2023, \$691,486 is reserved for encumbrances; \$4,051,791 is reserved for excess surplus in accordance with N.J.S.A.18A:7F-7 (\$2,473,325 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$6,973,888 is reserved in the Capital Reserve Account; \$2,446,086 is reserved in the Maintenance Reserve Account; \$600,395 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2024; \$290,726 is reserved for unemployment compensation; and (\$2,275,830) is unreserved and undesignated.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Penns Grove-Carneys Point Regional School District Board of Education on October 2, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$ 4,273,888
Deposits (PL 2007 c.62 (A1)) - June 5, 2023 Board Resolution	<u>2,700,000</u>
Ending balance June 30, 2023	<u>\$ 6,973,888</u>

**Note 16: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Penns Grove-Carneys Point Regional School District Board of Education for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$ 1,318,877
Deposits (PL 2007 c.62 (A1)) - June 5, 2023 Board Resolution	<u>1,127,209</u>
Ending balance June 30, 2023	<u>\$ 2,446,086</u>

**Note 17: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund 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, 2023 is \$1,578,466.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance (Exhibit B-1) of \$184,028 in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**Note 19: TAX ABATEMENTS**

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

**Note 20: PRIOR PERIOD ADJUSTMENT**

**Restatement of Prior Period:**

As a process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2023. The appraisal revealed asset activity that that should have been recorded as of June 30, 2022 due to unsubstantiated valuations remaining on the fixed asset ledgers. Accordingly, a restatement of Net Position as of June 30, 2022 was necessary.

Governmental Activities Net Position:

Net Position (per A-1), June 30, 2022	\$ 28,202,830
Restatement of Capital Assets	<u>(29,181,904)</u>
Net Position (per A-1), June 30, 2022, as Restated	<u>\$ (979,074)</u>

Enterprise Activities Net Position:

Net Position (per A-1), June 30, 2022	\$ 2,458,550
Restatement of Capital Assets	<u>39,961</u>
Net Position (per A-1), June 30, 2022, as Restated	<u>\$ 2,498,511</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 10,900,000		\$ 10,900,000	\$ 10,900,000	
Tuition From Other LEAS within State	500,000		500,000	471,033	\$ (28,967)
Miscellaneous	22,404		22,404	255,601	233,197
<b>Total - Local Sources</b>	<b>11,422,404</b>	<b>-</b>	<b>11,422,404</b>	<b>11,626,634</b>	<b>204,230</b>
<b>State Sources:</b>					
Equalization Aid	29,201,386		29,201,386	29,201,386	
Transportation Aid	761,052		761,052	761,052	
Special Education Aid	1,222,614		1,222,614	1,222,614	
Security Aid	785,483		785,483	785,483	
Extraordinary Aid	300,000		300,000	334,744	34,744
Non-Public Transportation Aid				5,928	5,928
TPAF Pension (On-Behalf - Non-Budgeted)				5,619,856	5,619,856
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,476,323	1,476,323
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				2,188	2,188
TPAF Social Security (Reimbursed - Non-Budgeted)				1,192,555	1,192,555
<b>Total State Sources</b>	<b>32,270,535</b>		<b>32,270,535</b>	<b>40,602,129</b>	<b>8,331,594</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement	80,489		80,489	108,973	28,484
<b>Total Federal Sources</b>	<b>80,489</b>		<b>80,489</b>	<b>108,973</b>	<b>28,484</b>
<b>TOTAL REVENUES</b>	<b>43,773,428</b>		<b>43,773,428</b>	<b>52,337,736</b>	<b>8,564,308</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	964,920	(52,432)	912,488	912,487	1
Grades 1-5 - Salaries of Teachers	3,407,803	5,731	3,413,534	3,214,170	199,364
Grades 6-8 - Salaries of Teachers	2,186,082	(183,360)	2,002,722	1,795,639	207,083
Grades 9-12 - Salaries of Teachers	3,336,127	(212,900)	3,123,227	3,003,371	119,856
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	8,000	10,738	18,738	12,278	6,460
Purchased Professional-Educational Services	12,500	(4,061)	8,439		8,439
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	91,138	41,620	132,758	129,460	3,298
Purchased Professional-Educational Services	1,238,300	(73,942)	1,164,358	948,766	215,592
Cleaning/Repair	7,760	1,735	9,495	4,780	4,715
Other Purchased Services (400-500 series)	268,575		268,575	238,738	29,837
General Supplies	645,233	(366)	644,867	312,933	331,934
Textbooks	154,779	(118,416)	36,363	35,104	1,259
Other Objects	25,330	1,768	27,098	10,090	17,008
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>12,346,547</b>	<b>(583,885)</b>	<b>11,762,662</b>	<b>10,617,816</b>	<b>1,144,846</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities-Mild/Moderate:</b>					
Salaries of Teachers	905,456	(149,456)	756,000	753,980	2,020
Other Salaries for Instruction	92,452	(46,452)	46,000	43,985	2,015
Purchased Professional-Educational Services		13,081	13,081	13,081	
General Supplies	5,450	390	5,840	5,390	450
<b>Total Learning and/or Language Disabilities - Mild/Moderate</b>	<b>1,003,358</b>	<b>(182,437)</b>	<b>820,921</b>	<b>816,436</b>	<b>4,485</b>
<b>Emotional Regulation Impairment:</b>					
Salaries of Teachers	219,972	(73,972)	146,000	140,928	5,072
Other Salaries for Instruction	69,927	(18,927)	51,000	45,264	5,736
Instructional Aid		14,517	14,517	14,517	
General Supplies	6,000	199	6,199	916	5,283
<b>Total Emotional Regulation Impairment</b>	<b>295,899</b>	<b>(78,183)</b>	<b>217,716</b>	<b>201,625</b>	<b>16,091</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	1,060,099	69,368	1,129,467	1,097,010	32,457
Other Salaries for Instruction	365,725	(94,780)	270,945	239,894	31,051
Other Professional-Educational Services	5,000	54,072	59,072	53,622	5,450
General Supplies	13,551	2,606	16,157	8,513	7,644
<b>Total Multiple Disabilities</b>	<b>1,444,375</b>	<b>31,266</b>	<b>1,475,641</b>	<b>1,399,039</b>	<b>76,602</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,111,678	(190,133)	921,545	870,545	51,000
Purchased Professional-Educational Services		8,200	8,200	8,200	
General Supplies	20,771	(7,969)	12,802	6,627	6,175
<b>Total Resource Room/Resource Center</b>	<b>1,132,449</b>	<b>(189,902)</b>	<b>942,547</b>	<b>885,372</b>	<b>57,175</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	71,957	(16,957)	55,000	38,869	16,131
Other Salaries for Instruction	23,067	1,000	24,067	10,713	13,354
General Supplies		2,649	2,649	2,648	1
General Supplies	37,468	(31)	37,437	9,551	27,886
<b>Total Preschool Disabilities - Full-Time</b>	<b>132,492</b>	<b>(13,339)</b>	<b>119,153</b>	<b>61,781</b>	<b>57,372</b>
<b>Home Instruction:</b>					
Salaries of Teachers	8,000	18,211	26,211	26,210	1
Purchased Professional-Educational Services	50,000	(15,735)	34,265	18,637	15,628
Spec Ed Home		500	500	424	76
<b>Total Home Instruction</b>	<b>58,000</b>	<b>2,976</b>	<b>60,976</b>	<b>45,271</b>	<b>15,705</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>4,066,573</b>	<b>(429,619)</b>	<b>3,636,954</b>	<b>3,409,524</b>	<b>227,430</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	76,397	10,081	86,478	64,509	21,969
Purchased Professional-Educational Services		10,019	10,019	10,018	1
<b>Total Basic Skills/Remedial - Instruction</b>	<b>76,397</b>	<b>20,100</b>	<b>96,497</b>	<b>74,527</b>	<b>21,970</b>



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Bilingual Education - Instruction:</b>					
Salaries	542,941	188,060	731,001	641,761	89,240
Other Salaries for Instruction	76,853	(61,853)	15,000	354	14,646
Purchased Professional-Educational Services		6,222	6,222	6,222	
<b>Total Bilingual Education - Instruction</b>	<b>619,794</b>	<b>132,429</b>	<b>752,223</b>	<b>648,337</b>	<b>103,886</b>
<b>School-Spon. Co/Extra Curricular Actvts. - Inst.:</b>					
Salaries	100,000	(25,000)	75,000	72,294	2,706
Purchased Services (300-500 series)	2,475		2,475		2,475
Purchased Services (300-500 series)	3,500	(1,000)	2,500		2,500
Supplies and Materials	17,304	9,970	27,274	15,414	11,860
Other Objects	3,445	798	4,243	2,933	1,310
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>126,724</b>	<b>(15,232)</b>	<b>111,492</b>	<b>90,641</b>	<b>20,851</b>
<b>School-Spon. Athletics - Instruction:</b>					
Salaries	182,928	18,191	201,119	201,118	1
Purchased Services (300-500 series)	1,750	(1,637)	113		113
Other Purchased Services	72,558	3,233	75,791	75,790	1
Cleaning/Repair	10,500	2,691	13,191	12,966	225
Rentals	1,700	(1,700)			
Travel	2,000	400	2,400	688	1,712
Supplies and Materials	52,346	2,215	54,561	46,803	7,758
Other Objects	18,389	2,000	20,389	19,390	999
<b>Total School-Spon. Athletics - Inst.</b>	<b>342,171</b>	<b>25,393</b>	<b>367,564</b>	<b>356,755</b>	<b>10,809</b>
<b>Summer School - Instruction</b>					
Salaries of Teachers		20,528	20,528	18,360	2,168
Salaries of Teacher Tutors	2,400		2,400		2,400
<b>Total Summer School - Instruction</b>	<b>2,400</b>	<b>20,528</b>	<b>22,928</b>	<b>18,360</b>	<b>4,568</b>
<b>TOTAL INSTRUCTION</b>	<b>17,580,606</b>	<b>(830,286)</b>	<b>16,750,320</b>	<b>15,215,960</b>	<b>1,534,360</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEA's Within the State - Regular	221,860	(43,177)	178,683	143,821	34,862
Tuition to Other LEA's Within the State - Special	87,352	99,700	187,052	161,507	25,545
Tuition to County Voc. District - Regular	591,777		591,777	591,777	
Tuition to CSSD & Reg. Day Schools	1,166,414		1,166,414	1,032,395	134,019
Tuition to Private Schools for the Disabled-Within State	1,094,525		1,094,525	410,819	683,706
Tuition to Private Schools for the Disabled-Out of State	222,368		222,368	136,058	86,310
<b>Total Instruction</b>	<b>3,384,296</b>	<b>56,523</b>	<b>3,440,819</b>	<b>2,476,377</b>	<b>964,442</b>
<b>Attendance and Social Work:</b>					
Salaries	23,976	663	24,639	24,639	
Salaries of Family Support Teams	59,772	(59,772)			
School Climate & Pupil Coord		46,000	46,000	45,792	208
<b>Total Attendance and Social Work</b>	<b>83,748</b>	<b>(13,109)</b>	<b>70,639</b>	<b>70,431</b>	<b>208</b>
<b>Health Services:</b>					
Salaries	300,569	(119,252)	181,317	175,549	5,768
Purchased Professional and Technical Services		23,500	23,500	23,500	
Other Purchased Services (400-500 series)	364,500	(112,057)	252,443	214,940	37,503
Supplies and Materials	12,354	2,235	14,589	8,310	6,279
Memberships		160	160	148	12
<b>Total Health Services</b>	<b>677,423</b>	<b>(205,414)</b>	<b>472,009</b>	<b>422,447</b>	<b>49,562</b>
<b>Other Supp. Services Students-Related Services:</b>					
Salaries	136,601		136,601	126,966	9,635
Purchased Professional - Educational Services	200,000	103,610	303,610	292,609	11,001
Supplies and Materials	1,450	5,503	6,953	5,683	1,270
<b>Total Other Supp. Services Students-Related Services</b>	<b>338,051</b>	<b>109,113</b>	<b>447,164</b>	<b>425,258</b>	<b>21,906</b>
<b>Other Supp. Services Students-Extra Services:</b>					
Salaries		25,500	25,500	24,465	1,035
Purchased Professional - Educational Services	300,000	175,000	475,000	410,169	64,831
Supplies and Materials		1,742	1,742	1,742	
<b>Total Other Supp. Services Students-Extra Services</b>	<b>300,000</b>	<b>202,242</b>	<b>502,242</b>	<b>436,376</b>	<b>65,866</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	682,744	(16,644)	666,100	647,202	18,898
Salaries of Secretarial and Clerical Assistants	52,940		52,940	52,940	
Other Purchased Prof. and Tech. Services	29,000	1,654	30,654	30,187	467
Supplies and Materials	28,290	(2,061)	26,229	14,057	12,172
<b>Total Other Supp. Services Students-Regular</b>	<b>792,974</b>	<b>(17,051)</b>	<b>775,923</b>	<b>744,386</b>	<b>31,537</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	495,789	6,923	502,712	459,428	43,284
Salaries of Secretarial and Clerical Assistants	61,598		61,598	61,598	
Purchased Professional - Educational Services	150,000	82,139	232,139	189,939	42,200
Other Purch Prof and Tech Services	7,300		7,300		7,300
Misc. Pur Serv (400-500 series O/than Resid Costs)	1,500		1,500	875	625
CST Travel	1,500		1,500	115	1,385
Supplies and Materials	5,000		5,000	4,798	202
Other Objects	5,000	(3,555)	1,445	350	1,095
<b>Total Other Supp. Services Students-Special</b>	<b>727,687</b>	<b>85,507</b>	<b>813,194</b>	<b>717,103</b>	<b>96,091</b>
<b>Improvement of Instruction Services :</b>					
Sal of Supv of Instruction	425,301	(20,493)	404,808	404,807	1
Sal of Other Prof		12,576	12,576		12,576
Sal of Secr and Clerical Assist.	55,973		55,973	53,592	2,381
Other Salaries	26,605		26,605	7,370	19,235
Supplies and Materials	3,500	2,522	6,022	4,021	2,001
Other Objects	3,000	2,173	5,173	5,173	
<b>Total Improvement of Instruction Services</b>	<b>514,379</b>	<b>(3,222)</b>	<b>511,157</b>	<b>474,963</b>	<b>36,194</b>
<b>Educational Media Services/School Library:</b>					
Sal of Other Prof	282,385	2,615	285,000	283,958	1,042
Sal Other	27,043		27,043		27,043
Purchased Professional and Technical Services	1,514		1,514		1,514
Other Purchased Services (400-500 series)	23,643	7,762	31,405	20,305	11,100
Supplies and Materials	18,883	949	19,832	9,150	10,682
<b>Total Educational Media Services/School Library</b>	<b>353,468</b>	<b>11,326</b>	<b>364,794</b>	<b>313,413</b>	<b>51,381</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional-Educational Services	109,000	6,467	115,467	21,449	94,018
Other Purchased Services (400-500 series)	4,500		4,500	1,758	2,742
Misc Purch Svcs	37,500	1,217	38,717	16,511	22,206
<b>Total Instructional Staff Training Services</b>	<b>151,000</b>	<b>7,684</b>	<b>158,684</b>	<b>39,718</b>	<b>118,966</b>
<b>Supp. Services - General Administration:</b>					
Salaries	218,622	22	218,644	218,632	12
Legal Services	150,000	(6,000)	144,000	99,009	44,991
Audit Fees	42,500	1,001	43,501	43,000	501
Architectural/Engineering Fees	20,000	(20,000)			
Other Purchased Professional Services	20,000	(2,087)	17,913	16,874	1,039
Purchased Technical Services	15,000	(1,900)	13,100	11,700	1,400
Rentals	12,900	113,051	125,951	125,800	151
Communications/Telephone	109,250	(2,362)	106,888	101,215	5,673
BOE Other Purchased Services	5,500	3,960	9,460	7,246	2,214
Other Purchased Services (400-500 series)	260,400	14,211	274,611	274,610	1
General Supplies	5,000	16,896	21,896	21,558	338
Miscellaneous Expenditures	6,400	16,250	22,650	22,608	42
BOE Membership Dues and Fees	17,000	(250)	16,750	16,549	201
<b>Total Supp. Services - General Administration</b>	<b>882,572</b>	<b>132,792</b>	<b>1,015,364</b>	<b>958,801</b>	<b>56,563</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	841,664	(32,769)	808,895	808,895	
Salaries of Other Professional Staff	95,953	10,700	106,653	105,624	1,029
Salaries of Secretarial and Clerical Assistants	537,836	296	538,132	534,850	3,282
Purchased Professional and Technical Services	2,324		2,324		2,324
Other Purchased Services (400-500 series)	1,300		1,300		1,300
Supplies and Materials	19,166	7,644	26,810	16,738	10,072
Gen Admin Equipment		15,286	15,286		15,286
Other Objects	4,500	600	5,100	5,100	
<b>Total Support Services - School Administration</b>	<b>1,502,743</b>	<b>1,757</b>	<b>1,504,500</b>	<b>1,471,207</b>	<b>33,293</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Central Services:</b>					
Salaries of Other Professional Staff	256,300	(24,497)	231,803	231,802	1
Salaries of Secretarial and Clerical Assistants	330,959	(16,184)	314,775	311,943	2,832
Purchased Professional Services	1,500	500	2,000	1,995	5
Purchased Technical Services	177,000	5,075	182,075	148,546	33,529
Supplies and Materials	2,000	17,561	19,561	7,833	11,728
Interest on Current Loans	100,000	(83,400)	16,600	16,600	
Miscellaneous Expenditures	3,000	1,065	4,065	3,090	975
<b>Central Services</b>	<b>870,759</b>	<b>(99,880)</b>	<b>770,879</b>	<b>721,809</b>	<b>49,070</b>
<b>Admin. Information Technology:</b>					
Salaries of Info Tech	422,904	(68,409)	354,495	354,495	
Salaries of Secretarial and Clerical Assistants	76,250	500	76,750	76,340	410
Purchased Professional Services	3,500	47,646	51,146	436	50,710
<b>Admin. Information Technology</b>	<b>502,654</b>	<b>(20,263)</b>	<b>482,391</b>	<b>431,271</b>	<b>51,120</b>
<b>Required Maintenance for School Facilities:</b>					
Cleaning, Repair, and Maintenance Services	521,792	(82,004)	439,788	223,567	216,221
General Supplies	129,000	56,791	185,791	126,315	59,476
<b>Total Required Maintenance for School Facilities</b>	<b>650,792</b>	<b>(25,213)</b>	<b>625,579</b>	<b>349,882</b>	<b>275,697</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	1,213,459	8,385	1,221,844	1,132,455	89,389
Salaries of Cust/Main	176,513	(80,419)	96,094	75,883	20,211
Salaries of Non-Instructional Aides	185,000	(143,000)	42,000	36,760	5,240
Salaries Other	331,896	(66,896)	265,000	246,226	18,774
Cleaning, Repair and Maintenance Services	84,500		84,500	64,040	20,460
Other Purchased Property Services	63,500	12,000	75,500	73,727	1,773
Insurance	160,000		160,000	142,953	17,047
General Supplies	130,000	61,460	191,460	165,767	25,693
Energy (Natural Gas)	250,000	45,000	295,000	263,440	31,560
Energy (Electricity)	580,000	5,000	585,000	546,236	38,764
Energy (Gasoline)	15,000	(3,804)	11,196	9,411	1,785
Other Objects	3,000	3,000	6,000	5,555	445
<b>Total Other Operations and Maintenance of Plant</b>	<b>3,192,868</b>	<b>(159,274)</b>	<b>3,033,594</b>	<b>2,762,453</b>	<b>271,141</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Care and Upkeep of Grounds:</b>					
Salaries	228,716		228,716	228,716	
Cleaning, Repair and Maintenance Services	71,000	60,000	131,000	115,427	15,573
Supplies and Materials	40,000	(11,317)	28,683	15,424	13,259
<b>Total Care and Upkeep of Grounds</b>	<b>339,716</b>	<b>48,683</b>	<b>388,399</b>	<b>359,567</b>	<b>28,832</b>
<b>Undist. Expend. -Security</b>					
Salaries	129,308	114,096	243,404	217,297	26,107
Salaries of Security	75,000	(23,000)	52,000	50,231	1,769
Salaries of Security Hourly	131,951	(87,096)	44,855		44,855
Purchased Professional and Technical Services	250,750		250,750	192,605	58,145
Cleaning, Repair, and Maintenance Services	10,000		10,000	7,851	2,149
General Supplies	145,000	(28,516)	116,484	81,380	35,104
<b>Total Undist. Expend. -Security</b>	<b>742,009</b>	<b>(24,516)</b>	<b>717,493</b>	<b>549,364</b>	<b>168,129</b>
<b>Student Transportation Services</b>					
Salaries for Pupil Trans (Between Home & Sch - Reg.)	52,940		52,940	52,940	
Management Fees - ESC & CTSA Transportation Programs	300		300		300
Other Purchased Prof. & Tech. Services	5,000		5,000	4,100	900
Contract Services - Aid in Lieu of Payments-Nonpub.Sch.	12,000	7,956	19,956	19,418	538
Contract Services - Aid in Lieu of Payments-Charter Schools	10,000	2,294	12,294	12,264	30
Contract Services - Aid in Lieu of Payments - Choice Sch	11,000	12,506	23,506	23,438	68
Contract Services - (Between Home and School) - Vendors	828,000	44,667	872,667	856,156	16,511
Contract Services (Other than Between Home & School)-Vendors	131,647	3,277	134,924	93,279	41,645
Contract Services - (Between Home and School) - Joint Agreements	40,040	(9,735)	30,305	20,020	10,285
Contract Services - (Spl. Ed. Students) - Vendors	519,500	(101,000)	418,500	371,616	46,884
Contract Services - (Regular Students) - ESCs & CTSA	269,500	144,144	413,644	351,254	62,390
Contract Services - (Special Ed. Students) - ESCs & CTSA	442,500	560,578	1,003,078	1,003,078	
General Supplies	1,000	848	1,848	1,639	209
<b>Total Student Transportation Services</b>	<b>2,323,427</b>	<b>665,535</b>	<b>2,988,962</b>	<b>2,809,202</b>	<b>179,760</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	436,051	10,679	446,730	440,729	6,001
Other Retirement Contributions - PERS	722,000	(50,000)	672,000	649,487	22,513
Other Retirement Contributions - Regular	2,500		2,500	-	2,500
Unemployment Compensation	3,000		3,000	-	3,000
Workmen's Compensation	400,000		400,000	385,957	14,043
Health Benefits	5,463,639	144,165	5,607,804	4,934,533	673,271
Tuition Reimbursement	115,000		115,000	55,952	59,048
Other Employee Benefits	293,000	18,267	311,267	302,770	8,497
Unused Sick Payments to Terminated/Retired Staff	147,775		147,775	62,562	85,213
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,582,965</b>	<b>123,111</b>	<b>7,706,076</b>	<b>6,831,990</b>	<b>874,086</b>
On-behalf TPAF pension Contrib. (non-budgeted)				5,619,856	(5,619,856)
On-behalf TPAF PRM Contrib. (non-budgeted)				1,476,323	(1,476,323)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				2,188	(2,188)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,192,555	(1,192,555)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>8,290,922</b>	<b>(8,290,922)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,582,965</b>	<b>123,111</b>	<b>7,706,076</b>	<b>15,122,912</b>	<b>(7,416,836)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>25,913,531</b>	<b>876,331</b>	<b>26,789,862</b>	<b>31,656,940</b>	<b>(4,867,078)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>43,494,137</b>	<b>46,045</b>	<b>43,540,182</b>	<b>46,872,900</b>	<b>(3,332,718)</b>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Equipment</b>					
Elem Instructional Equipment	10,000	9,808	19,808		19,808
MS Instructional Equipment	230,000	92,089	322,089	219,822	102,267
PreK Instructional Equipment		5,857	5,857	191	5,666
School-Sponsored and Other Instructional Programs	41,598	185,450	227,048	199,448	27,600
Tech Non-Instruct Equipment		88,113	88,113	57,056	31,057
Equipment		8,000	8,000		8,000
Equipment	25,000	81,646	106,646	106,646	
Undist. Expend. - Care and Upkeep of Grounds	15,000	14,474	29,474	26,224	3,250
Undist. Expend. - Security	270,000	(248,780)	21,220	3,557	17,663
<b>Total Equipment</b>	<b>591,598</b>	<b>236,657</b>	<b>828,255</b>	<b>612,944</b>	<b>215,311</b>
<b>Facilities Acquisition and Construction Services</b>					
Other Purch Tech Svcs		14,418	14,418	12,215	2,203
Construction Services	300,000		300,000		300,000
Assessment for Debt Service on SDA Funding	52,666		52,666	52,666	
<b>Total Facilities Acquisition and Construction Services</b>	<b>352,666</b>	<b>14,418</b>	<b>367,084</b>	<b>64,881</b>	<b>300,000</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>944,264</b>	<b>251,075</b>	<b>1,195,339</b>	<b>677,825</b>	<b>515,311</b>
Transfer of Funds to Charter Schools	248,561	117,450	366,011	353,857	12,154
<b>TOTAL EXPENDITURES</b>	<b>44,686,962</b>	<b>414,570</b>	<b>45,101,532</b>	<b>47,904,582</b>	<b>(2,805,253)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(913,534)</b>	<b>(414,570)</b>	<b>(1,328,104)</b>	<b>4,433,154</b>	<b>5,761,258</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer In/(Out)</b>					
Local Contribution - Transfer to Special Revenue Fund - Regular	(161,640)	-	(161,640)	-	(161,640)
Local Contribution - Transfer to Special Revenue Fund - Inclusion	(108,072)	-	(108,072)	-	(108,072)
<b>Total Other Financing Sources:</b>	<b>(269,712)</b>	<b>-</b>	<b>(269,712)</b>	<b>-</b>	<b>(269,712)</b>



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(1,183,246)	(414,570)	(1,597,816)	4,433,154	5,491,546
<b>Fund Balance, July 1</b>	11,454,163		11,454,163	11,454,163	
<b>Prior Period Adjustment</b>	-		-	-	-
<b>Fund Balance, July 1 (Restated)</b>	11,454,163		11,454,163	11,454,163	
<b>Fund Balance, June 30</b>	<b>\$ 10,270,917</b>	<b>(414,570)</b>	<b>\$ 9,856,347</b>	<b>\$ 15,887,317</b>	<b>\$ 5,491,546</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 6,973,888	
Maintenance Reserve				2,446,086	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,473,325	
Excess Surplus				1,578,466	
Unemployment Compensation				290,726	
<b>Assigned to:</b>					
Year-End Encumbrances				691,486	
Designated for Subsequent Year's Expenditures				600,395	
<b>Unassigned:</b>					
Unrestricted Fund Balance				832,945	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<b>\$ 15,887,317</b>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(3,108,775)	
<b>Fund Balance per Governmental Funds(GAAP Basis B-2)</b>				<b>\$ 12,778,542</b>	

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$ 394,712	\$ (245,589)	\$ 149,123	\$ 149,123	-
State Sources	2,449,383	276,372	2,725,755	1,846,835	\$ (878,920)
Federal Sources	1,540,082	4,610,825	6,150,907	6,150,907	-
<b>Total Revenues</b>	<b>4,384,177</b>	<b>4,641,608</b>	<b>9,025,785</b>	<b>8,146,865</b>	<b>(878,920)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,236,043	80,736	1,316,779	1,083,340	233,439
Other Salaries for Instruction	309,254	36,088	345,342	179,108	166,234
Other Purchased Services	219,660	130,365	350,025	198,057	151,968
Tuition	523,528	(96,016)	427,512	342,886	84,626
General Supplies	214,169	327,215	541,384	541,384	-
Other Objects	4,500	10,998	15,498	10,998	4,500
<b>Total Instruction</b>	<b>2,507,154</b>	<b>489,386</b>	<b>2,996,540</b>	<b>2,355,773</b>	<b>640,767</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	-	38,238	38,238	38,238	-
Salaries of Program Directors	85,140	-	85,140	72,923	12,217
Salaries of Other Professional Staff	203,650	(14,278)	189,372	180,279	9,093
Salaries of Sec. And Clerical Assistants	48,572	-	48,572	47,015	1,557
Other Salaries	113,094	-	113,094	106,633	6,461
Salaries of Community Parent Involvement Spec.	10,800	-	10,800	-	10,800
Salaries of Master Teachers	179,316	-	179,316	149,834	29,482
Personal Services - Employee Benefits	820,822	(108,850)	711,972	590,276	121,696
Purchased Prof. -Ed. Services	76,356	71,914	148,270	143,970	4,300
Purchased Ed Services - Head Start	115,835	-	115,835	115,835	-
Purchased Prof. Tech Svcs.	25,000	345,084	370,084	364,560	5,524
Cleaning, Repair & Maintenance Svcs.	6,000	401,247	407,247	401,247	6,000
Contr Serv-Trans. (Bet. Home & School)	10,000	-	10,000	1,119	8,881
Contr Serv-Trans. (Field Trips)	2,000	-	2,000	-	2,000
Travel	1,688	48,589	50,277	50,277	-
Other Purchased Services	26,250	30,892	57,142	57,142	-
Supplies & Materials	27,500	37,995	65,495	45,353	20,142
Other Objects	-	992	992	992	-
Student Activities	125,000	25,129	150,129	150,129	-
<b>Total Support Services</b>	<b>1,877,023</b>	<b>876,952</b>	<b>2,753,975</b>	<b>2,515,822</b>	<b>238,153</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings	-	2,104,553	2,104,553	2,104,553	-
Instructional Equipment	-	53,723	53,723	53,723	-
Non-Instructional Equipment	-	1,121,900	1,121,900	1,121,900	-
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>3,280,176</b>	<b>3,280,176</b>	<b>3,280,176</b>	<b>-</b>
<b>Total Expenditures</b>	<b>4,384,177</b>	<b>4,646,514</b>	<b>9,030,691</b>	<b>8,151,771</b>	<b>878,920</b>
<b>Total Outflows</b>	<b>\$ 4,384,177</b>	<b>\$ 4,646,514</b>	<b>\$ 9,030,691</b>	<b>\$ 8,151,771</b>	<b>\$ 878,920</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>		(4,906)	(4,906)	(4,906)	
<b>Fund Balance Beginning</b>				65,816	
<b>Prior Period Adjustment *</b>				-	
<b>Fund Balance Beginning (Restated)</b>				65,816	
<b>Fund Balance Ending</b>				<u>\$ 60,910</u>	
<b>Recapitulation:</b>					
Restricted:					
Student Activities				\$ 60,910	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>\$ 60,910</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(244,938)	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ (184,028)</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$52,337,736	\$8,146,865
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	1,073,193
Current Year Encumbrances	N/A	-
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	2,805,546	164,781
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(3,108,775)</u>	<u>(244,938)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$52,034,507</u>	<u>\$ 9,139,901</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$47,904,582	\$8,151,771
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	1,073,193
Current Year Encumbrances	N/A	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$47,904,582</u>	<u>\$9,224,964</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<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>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 70,441,527	\$ 68,474,115	\$ 95,456,351	\$ 89,541,295	\$ 95,061,013	\$ 105,142,931	\$ 123,420,739	\$ 97,781,586	\$ 87,929,793	\$ 84,422,895
Total	\$ 70,441,527	\$ 68,474,115	# \$ 95,456,351	# \$ 89,541,295	# \$ 95,061,013	\$ 105,142,931	\$ 123,420,739	\$ 97,781,586	\$ 87,929,793	\$ 84,422,895
District's covered employee payroll	\$ 16,455,732	\$ 15,712,618	\$ 15,348,050	\$ 15,086,152	\$ 15,680,129	\$ 15,407,146	\$ 15,473,667	\$ 15,423,386	\$ 15,866,952	\$ 15,564,334
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<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>
District's proportion of the net pension liability (asset)	0.04977%	0.05123%	0.05297%	0.05560%	0.06164%	0.06210%	0.06081%	0.06139%	0.05999%	0.06024%
District's proportionate share of the net pension liability (asset)	\$ 7,510,528	\$ 6,068,376	\$ 8,638,125	\$ 10,017,568	\$ 12,126,434	\$ 14,455,581	\$ 18,008,632	\$ 13,780,972	\$ 11,232,180	\$ 11,512,069
District's covered employee payroll	\$ 4,181,344	\$ 3,968,006	\$ 3,662,539	\$ 3,729,512	\$ 3,834,498	\$ 3,929,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	179.62%	152.93%	235.85%	268.60%	316.51%	377.47%	437.89%	324.37%	271.36%	276.98
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of District Contributions**  
**Last Ten Fiscal Years**

**Exhibit L-2**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<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 **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 16,455,732	\$ 15,712,618	\$ 15,348,050	\$ 15,086,152	\$ 15,680,129	\$ 15,407,146	\$ 15,473,667	\$ 15,423,386	\$ 15,866,952	\$ 15,564,334
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<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	\$ 627,586	\$ 599,905	\$ 579,472	\$ 542,908	\$ 616,005	\$ 585,030	\$ 543,474	\$ 527,795	\$ 494,567	453,857
Contributions in relation to the contractually required contribution	<u>(627,586)</u>	<u>(599,905)</u>	<u>(579,472)</u>	<u>(542,908)</u>	<u>(616,005)</u>	<u>(585,030)</u>	<u>(543,474)</u>	<u>(527,795)</u>	<u>(494,567)</u>	<u>(453,857)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 4,181,344	\$ 3,968,006	\$ 3,662,539	\$ 3,729,512	\$ 3,834,498	\$ 3,829,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
Contributions as a percentage of covered-employee payroll	15.01%	15.12%	15.82%	14.56%	16.06%	15.28%	13.21%	12.42%	11.95%	10.92%

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information - Part III  
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<b>The State of New Jersey's Total OPEB Liability</b>	<u>2023</u>	<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>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
<b>Net change in total OPEB liability</b>	<b>(9,361,188,004)</b>	<b>(7,802,311,638)</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>			
<b>Total OPEB Liability - Beginning</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>			
<b>Total OPEB Liability - Ending</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 87,194,718</b>	<b>\$ 102,830,939</b>	<b>\$ 120,983,129</b>	<b>\$ 75,891,598</b>	<b>\$ 85,633,301</b>	<b>\$ 99,874,688</b>	<b>\$ 108,018,858</b>			
<b>The District's proportionate share of the total OPEB liability</b>	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
<b>District's covered employee payroll</b>	<b>\$ 20,637,076</b>	<b>\$ 19,680,624</b>	<b>\$ 19,010,589</b>	<b>\$ 18,815,664</b>	<b>\$ 19,514,627</b>	<b>\$ 19,236,772</b>	<b>\$ 19,236,772</b>			
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
<b>District's contribution</b>	None	None	None	None	None	None	None			
<b>State's covered employee payroll ***</b>	<b>\$ 14,753,355,408</b>	<b>\$ 14,425,669,769</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>			
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	415.98%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III**  
**Pension and OPEB Schedules**

For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)**

**Pension Schedules**

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

*Changes of assumptions.* 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.

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* 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.

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**OTHER SUPPLEMENTARY INFORMATION**



**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 1 of 4

	<b>Title I</b>	<b>Title I SIA</b>	<b>Title II Part A</b>	<b>Title III</b>	<b>Title III Immigrant</b>	<b>Title IV</b>
<b>REVENUES</b>						
Local Sources						
State Sources						
Federal Sources	\$ 879,403	\$ 138,173	\$ 124,024	\$ 88,486	\$ 8,940	\$ 81,655
<b>TOTAL REVENUES</b>	<b>879,403</b>	<b>138,173</b>	<b>124,024</b>	<b>88,486</b>	<b>8,940</b>	<b>81,655</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	388,690	11,620				2,025
Other Salaries for Instruction	24,651			47,952		
Other Purchased Services						
Tuition						
General Supplies	99,803	125,664		23,978	8,940	47,686
Other Objects						10,998
<b>Total Instruction</b>	<b>513,144</b>	<b>137,284</b>		<b>71,930</b>	<b>8,940</b>	<b>60,709</b>
<b>Support Services:</b>						
Salaries of Supervisors of Instruction	38,238					
Salaries of Program Directors						
Salaries of Other Professional Staff	65,052					
Salaries of Secr. And Clerical Assistants						
Other Salaries						
Salaries of Master Teachers						
Personal Services - Employee Benefits	216,049	889		3,668		155
Purchased Prof. -Ed. Services	32,700					
Purchased Ed Services - Head Start						
Purchased Prof. Tech Svcs.			116,100	12,800		11,373
Cleaning, Repair & Maintenance Svcs.						
Contr Serv-Trans. (Bet. Home & School)						
Contr Serv-Trans. (Field Trips)						
Travel			708			
Other Purchased Services			7,216			116
Supplies & Materials	14,220			88		8,310
Other Objects						992
Student Activities						
<b>Total Support Services</b>	<b>366,259</b>	<b>889</b>	<b>124,024</b>	<b>16,556</b>		<b>20,946</b>
<b>Facilities Acq. &amp; Construction Services:</b>						
Buildings						
Instructional Equipment						
Non-Instructional Equipment						
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>879,403</b>	<b>138,173</b>	<b>124,024</b>	<b>88,486</b>	<b>8,940</b>	<b>81,655</b>
<b>Total Outflows</b>	<b>\$ 879,403</b>	<b>\$ 138,173</b>	<b>\$ 124,024</b>	<b>\$ 88,486</b>	<b>\$ 8,940</b>	<b>\$ 81,655</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						
	-	-		-	-	-
<b>Fund Balance Beginning</b>						
	-	-		-	-	-
<b>Prior Period Adjustment *</b>						
	-	-		-	-	-
<b>Fund Balance Beginning (Restated)</b>						
	-	-		-	-	-
<b>Fund Balance Ending</b>						
	-	-		-	-	-

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 2 of 4

	<b>IDEA BASIC</b>	<b>IDEA P/S</b>	<b>CARES</b>	<b>CRRSA ESSER II</b>	<b>CRRSA II Learn</b>	<b>CRRSA II Mental</b>
<b>REVENUES</b>						
Local Sources						
State Sources						
Federal Sources	\$ 516,896	\$ 25,402	\$ 106,365	\$ 1,787,637	\$ 49,863	\$ 9,167
<b>TOTAL REVENUES</b>	<b>516,896</b>	<b>25,402</b>	<b>106,365</b>	<b>1,787,637</b>	<b>49,863</b>	<b>9,167</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers			82,909	34,557	273	
Other Salaries for Instruction						
Other Purchased Services	86,235					
Tuition	305,165					
General Supplies		22,280		28,134		
Other Objects						
<b>Total Instruction</b>	<b>391,400</b>	<b>22,280</b>	<b>82,909</b>	<b>62,691</b>	<b>273</b>	
<b>Support Services:</b>						
Salaries of Supervisors of Instruction						
Salaries of Program Directors						
Salaries of Other Professional Staff				56,119		
Salaries of Secr. And Clerical Assistants						
Other Salaries						
Salaries of Master Teachers						
Personal Services - Employee Benefits			23,456	23,448	21	
Purchased Prof. -Ed. Services						
Purchased Ed Services - Head Start						
Purchased Prof. Tech Svcs.	109,890					9,167
Cleaning, Repair & Maintenance Svcs.				59,454		
Contr Serv-Trans. (Bet. Home & School)						
Contr Serv-Trans. (Field Trips)						
Travel					49,569	
Other Purchased Services	15,606					
Supplies & Materials				14,977		
Other Objects						
Student Activities						
<b>Total Support Services</b>	<b>125,496</b>		<b>23,456</b>	<b>153,998</b>	<b>49,590</b>	<b>9,167</b>
<b>Facilities Acq. &amp; Construction Services:</b>						
Buildings				1,570,948		
Instructional Equipment		3,122				
Non-Instructional Equipment						
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>3,122</b>	<b>-</b>	<b>1,570,948</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>516,896</b>	<b>25,402</b>	<b>106,365</b>	<b>1,787,637</b>	<b>49,863</b>	<b>9,167</b>
<b>Total Outflows</b>	<b>\$ 516,896</b>	<b>\$ 25,402</b>	<b>\$ 106,365</b>	<b>\$ 1,787,637</b>	<b>\$ 49,863</b>	<b>\$ 9,167</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						
	-		-	-	-	-
<b>Fund Balance Beginning</b>						
	-		-	-	-	-
<b>Prior Period Adjustment *</b>						
	-		-	-	-	-
<b>Fund Balance Beginning (Restated)</b>						
	-		-	-	-	-
<b>Fund Balance Ending</b>						
	-		-	-	-	-

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 3 of 4

	<b>ARP ESSER III</b>	<b>ARP Summer</b>	<b>ARP Homeless</b>	<b>ARP IDEA Basic</b>	<b>ARP IDEA PS</b>	<b>Preschool Education State Aid</b>
<b>REVENUES</b>						
Local Sources						
State Sources						\$1,840,175
Federal Sources	\$ 2,243,242	\$ 1,725	\$ 38,051	\$ 41,101	\$ 10,777	
<b>TOTAL REVENUES</b>	<b>2,243,242</b>	<b>1,725</b>	<b>38,051</b>	<b>41,101</b>	<b>10,777</b>	<b>1,840,175</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers			30			563,236
Other Salaries for Instruction					10,011	96,494
Other Purchased Services	81,630					30,192
Tuition				37,721		
General Supplies	99,170	1,725				74,344
Other Objects						
<b>Total Instruction</b>	<b>180,800</b>	<b>1,725</b>	<b>30</b>	<b>37,721</b>	<b>10,011</b>	<b>764,266</b>
<b>Support Services:</b>						
Salaries of Supervisors of Instruction						
Salaries of Program Directors						72,923
Salaries of Other Professional Staff						59,108
Salaries of Secr. And Clerical Assistants						47,015
Other Salaries						106,633
Salaries of Master Teachers						149,834
Personal Services - Employee Benefits			2		766	321,822
Purchased Prof. -Ed. Services						111,270
Purchased Ed Services - Head Start						115,835
Purchased Prof. Tech Svcs.	44,689		3,815			56,726
Cleaning, Repair & Maintenance Svcs.	341,793					
Contr Serv-Trans. (Bet. Home & School)						1,119
Contr Serv-Trans. (Field Trips)						-
Travel						
Other Purchased Services			34,204			
Supplies & Materials						6,858
Other Objects						
Student Activities						
<b>Total Support Services</b>	<b>386,482</b>		<b>38,021</b>		<b>766</b>	<b>1,049,143</b>
<b>Facilities Acq. &amp; Construction Services:</b>						
Buildings	533,605					
Instructional Equipment	47,221			3,380		
Non-Instructional Equipment	1,095,134					26,766
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>1,675,960</b>	<b>-</b>	<b>-</b>	<b>3,380</b>	<b>-</b>	<b>26,766</b>
<b>TOTAL EXPENDITURES</b>	<b>2,243,242</b>	<b>1,725</b>	<b>38,051</b>	<b>41,101</b>	<b>10,777</b>	<b>1,840,175</b>
<b>Total Outflows</b>	<b>\$ 2,243,242</b>	<b>\$ 1,725</b>	<b>\$ 38,051</b>	<b>\$ 41,101</b>	<b>\$ 10,777</b>	<b>\$1,840,175</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 4 of 4

	<b>NJ Climate Pilot</b>	<b>Sustain NJ Clean Local</b>	<b>Whole Kids Found. Local</b>	<b>Student Activity</b>	<b>Totals</b>
<b>REVENUES</b>					
Local Sources		\$ 900	\$ 3,000	\$ 145,223	\$ 149,123
State Sources	\$ 6,660				1,846,835
Federal Sources					6,150,907
<b>TOTAL REVENUES</b>	<b>6,660</b>	<b>900</b>	<b>3,000</b>	<b>145,223</b>	<b>8,146,865</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers					1,083,340
Other Salaries for Instruction					179,108
Other Purchased Services					198,057
Tuition					342,886
General Supplies	6,660		3,000		541,384
Other Objects					10,998
<b>Total Instruction</b>	<b>6,660</b>		<b>3,000</b>		<b>2,355,773</b>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction					38,238
Salaries of Program Directors					72,923
Salaries of Other Professional Staff					180,279
Salaries of Secr. And Clerical Assistants					47,015
Other Salaries					106,633
Salaries of Master Teachers					149,834
Personal Services - Employee Benefits					590,276
Purchased Prof. -Ed. Services					143,970
Purchased Ed Services - Head Start					115,835
Purchased Prof. Tech Svcs.					364,560
Cleaning, Repair & Maintenance Svcs.					401,247
Contr Serv-Trans. (Bet. Home & School)					1,119
Contr Serv-Trans. (Field Trips)					-
Travel					50,277
Other Purchased Services					57,142
Supplies & Materials		900			45,353
Other Objects					992
Student Activities				150,129	150,129
<b>Total Support Services</b>		<b>900</b>		<b>150,129</b>	<b>2,515,822</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings					2,104,553
Instructional Equipment					53,723
Non-Instructional Equipment					1,121,900
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,280,176</b>
<b>TOTAL EXPENDITURES</b>	<b>6,660</b>	<b>900</b>	<b>3,000</b>	<b>150,129</b>	<b>8,151,771</b>
<b>Total Outflows</b>	<b>\$ 6,660</b>	<b>\$ 900</b>	<b>\$ 3,000</b>	<b>\$ 150,129</b>	<b>\$ 8,151,771</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,906)</b>	<b>(4,906)</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,816</b>	<b>65,816</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,816</b>	<b>65,816</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 60,910</b>	<b>\$ 60,910</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid Schedule of Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 796,675	-	\$ 796,675	\$ 563,236	\$ 233,439
Other Salaries for Instruction	262,728	-	262,728	96,494	166,234
Purchased Professional - Educational Services	182,160	-	182,160	30,192	151,968
General Supplies	158,970	-	158,970	74,344	84,626
Other Objects	4,500	-	4,500	-	4,500
<b>Total instruction</b>	<u>1,405,033</u>	<u>-</u>	<u>1,405,033</u>	<u>764,266</u>	<u>640,767</u>
<b>Support services:</b>					
Salaries of Program Directors	85,140	-	85,140	72,923	12,217
Salaries of Other Professional Staff	68,201	-	68,201	59,108	9,093
Salaries of Secr. And Clerical Assistants	48,572	-	48,572	47,015	1,557
Other Salaries	113,094	-	113,094	106,633	6,461
Salaries of Community Parent Involvement Spec.	10,800	-	10,800	-	10,800
Salaries of Master Teachers	179,316	-	179,316	149,834	29,482
Personal Services - Employee Benefits	623,104	\$ (179,586)	443,518	321,822	121,696
Purchased Prof. -Ed. Services	-	115,570	115,570	111,270	4,300
Purchased Ed Services - Head Start	115,835	-	115,835	115,835	-
Purchased Prof. Tech Svcs.	25,000	37,250	62,250	56,726	5,524
Cleaning, Repair & Maintenance Svcs.	6,000	-	6,000	-	6,000
Contr Serv-Trans. (Bet. Home & School)	10,000	-	10,000	1,119	8,881
Contr Serv-Trans. (Field Trips)	2,000	-	2,000	-	2,000
Supplies & Materials	27,000	-	27,000	6,858	20,142
<b>Total support services</b>	<u>1,314,062</u>	<u>(26,766)</u>	<u>1,287,296</u>	<u>1,049,143</u>	<u>238,153</u>
<b>Facilities Acq. &amp; Construction:</b>					
Non-Instructional Equipment	-	26,766	26,766	26,766	-
<b>Total Facilities Acq. &amp; Construction</b>	<u>-</u>	<u>26,766</u>	<u>26,766</u>	<u>26,766</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 2,719,095</u>	<u>-</u>	<u>\$ 2,719,095</u>	<u>\$ 1,840,175</u>	<u>878,920</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2022-2023 PreK Aid Allocation	\$ 2,449,383
Add: Actual ECPA Carryover June 30, 2022	304,433
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2022-2023 Budget	<u>2,753,816</u>
Less: 2022-2023 Budgeted PreK & ECPA (Including prior year budgeted carryover)	<u>(2,719,095)</u>
Available & Unbudgeted Funds as of June 30, 2023	34,721
Add: June 30, 2023 Unexpended PreK Aid	878,920
2022-2023 Actual Carryover - PreK Aid	<u>913,641</u>
2022-2023 PreK Carryover Budgeted in 2023-2024	<u>\$ 474,100</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit F-1

**CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2023

	<b>Original Date</b>	<b>Original Appropriations</b>	<b>Revised Appropriations</b>	<b>Expenditures to Date</b>		<b>Unexpended Balance June 30, 2023</b>
				<b>Prior Years</b>	<b>Current Year</b>	
Renovation of Auditorium and Science Labs at Penns Grove High School	4/5/2012	\$ 3,000,000	\$ 2,800,772	\$ 2,796,596		\$ 4,176
Site Expansion at Lafayette-Pershing Elementary School	4/13/2015	291,189	291,189	-	-	291,189
Totals		<u>\$ 3,291,189</u>	<u>\$ 3,091,961</u>	<u>\$ 2,796,596</u>	<u>-</u>	<u>295,365</u>
					Accumulated Interest Earnings and Excess Proceeds	<u>92,905</u>
					Fund Balance - June 30, 2023	<u>\$ 388,270</u>



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit F-2

**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE-BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

**Revenues and Other Financing**

**Sources**

Excess Proceeds on SDA Grant	\$ 86,821
Interest Earnings	6,084
Total Revenues	<u>92,905</u>

**Expenditures and Other Financing**

**Sources**

Construction Services	-
Other Professional Services	-
Total Expenditures	<u>-</u>

Excess(deficiency) of revenues over(under) expenditures	92,905
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Fund Balance - Beginning	<u>295,365</u>
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Fund Balance - Ending	<u><u>\$ 388,270</u></u>
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**CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS**

**RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Maintenance Reserve	\$ 224	-	\$ 224	\$ 224
Transfer from Other Projects	9,466	-	9,466	9,466
Transfer from Capital Reserve	775,000	-	775,000	775,000
State Sources-SDA Grant	2,008,082	-	2,008,082	2,008,082
Bond Proceeds & Transfers	8,000	-	8,000	8,000
Total Revenues	<u>2,800,772</u>	-	<u>2,800,772</u>	<u>2,800,772</u>
<b>Expenditures and Other Financing Sources</b>				
Professional Fees	203,789	-	203,789	203,789
Construction Services	2,549,808	-	2,549,808	2,553,984
General Supplies	7,009	-	7,009	7,009
Equipment Purchases	6,971	-	6,971	6,971
Other Costs	29,019	-	29,019	29,019
Total Expenditures	<u>2,796,596</u>	-	<u>2,796,596</u>	<u>2,800,772</u>
Excess(deficiency) of revenues over(under) expenditures	<u>4,176</u>	-	<u>4,176</u>	

Project Fund Balance, 6/30/2023 4,176

**Additional project information:**

DOE Project Number	4070-050-10-1004	<u>Recapitulation:</u>	
Grant Date	4/5/2012	Encumbrances	-
Original Authorized Cost	\$3,000,000	Unreserved (Available)	<u>\$ 4,176</u>
Additional Authorized Cost	-\$199,228		<u>\$ 4,176</u>
Revised Authorized Cost	\$2,800,772		

Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100.0%
Original Target Completion Date	11/15/2012
Revised Target Completion Date	N/A

**CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS**

**SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from/(to) Capital Reserve	\$ 291,189		\$ 291,189	\$ 291,189
Total Revenues	<u>291,189</u>	-	<u>291,189</u>	<u>291,189</u>
<b>Expenditures and Other Financing Sources</b>				
Professional Fees			-	-
Construction Services			-	291,189
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,189</u>
Excess(deficiency) of revenues over(under) expenditures	<u>291,189</u>	-	<u>291,189</u>	

Project Fund Balance, 6/30/2023 291,189

**Additional project information:**

DOE Project Number	N/A
SDA Project Number	N/A
SDA Grant Number	N/A
Grant Date	N/A
Initial Grant Amount	N/A
Revised Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$291,189
Additional Authorized Cost	
Revised Authorized Cost	\$291,189
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2020

<u>Recapitulation:</u>	
Encumbrances	-
Unreserved (Available)	\$ 291,189
	<u>\$ 291,189</u>

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

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

**FIDUCIARY FUND  
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

## **LONG-TERM DEBT SCHEDULES**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS  
AS OF ENDED JUNE 30, 2023**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2022</u>	<u>DECREASED</u>	<u>BALANCE JUNE 30, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Bonds	2/18/15	\$6,000,000	3/1/24	\$ 360,000	3.000%	\$ 4,560,000	\$ 360,000	\$ 4,200,000
			3/1/25	360,000	3.000%			
			3/1/26	360,000	3.000%			
			3/1/27	360,000	3.000%			
Total			3/1/28	360,000	3.000%			
			3/1/29	360,000	3.000%			
			3/1/30	360,000	3.000%			
			3/1/31	360,000	3.000%			
			3/1/32	330,000	3.250%			
			3/1/33	330,000	3.250%			
			3/1/34	330,000	3.250%			
			3/1/35	330,000	3.250%			
						<u>\$ 4,560,000</u>	<u>\$ 360,000</u>	<u>4,200,000</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 501,824		\$ 501,824	\$ 501,824	
	501,824	-	501,824	501,824	
<b>TOTAL REVENUES</b>	<b>501,824</b>	<b>-</b>	<b>501,824</b>	<b>501,824</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	141,825	-	141,825	141,824	\$ (1)
Redemption of Principal	360,000	-	360,000	360,000	-
Total Regular Debt Service	501,825	-	501,825	501,824	(1)
<b>TOTAL EXPENDITURES</b>	<b>501,825</b>	<b>-</b>	<b>501,825</b>	<b>501,824</b>	<b>(1)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(1)	-	(1)	-	1
Fund Balance, July 1	-	-	-	-	
Fund Balance, June 30	\$ (1)	-	\$ (1)	-	\$ 1
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance					



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	99-104
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	105-111
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and	112-115
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	116-117
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	118-122

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**

**Exhibit J-1**

*(accrual basis of accounting)*

	2014		2015		2016		2017		Fiscal Year Ending June 30,		2018		2019		2020		2021		2022		2023			
<b>Governmental activities</b>																								
Invested in capital assets, net of related debt	\$	13,497,052	\$	9,195,641	\$	15,627,700	\$	23,408,192	\$	27,448,315	\$	28,201,359	\$	29,147,453	\$	30,456,814	\$	31,298,471	\$	31,298,471	\$	7,394,609	\$	7,394,609
Restricted		2,205,622		7,646,341		4,537,223		(296,966)		2,766,199		3,075,157		4,251,460		6,190,665		9,901,243		14,812,066		14,812,066		14,812,066
Unrestricted		(1,883,674)		(12,997,104)		(13,115,830)		(14,491,773)		(14,755,394)		(15,015,575)		(14,678,405)		(13,998,377)		(12,996,884)		(11,688,022)		(11,688,022)		(11,688,022)
<b>Total governmental activities Net Position</b>	<b>\$</b>	<b>13,819,000</b>	<b>\$</b>	<b>3,844,878</b>	<b>\$</b>	<b>7,049,093</b>	<b>\$</b>	<b>8,619,453</b>	<b>\$</b>	<b>15,459,120</b>	<b>\$</b>	<b>16,260,941</b>	<b>\$</b>	<b>18,720,508</b>	<b>\$</b>	<b>22,649,102</b>	<b>\$</b>	<b>28,202,830</b>	<b>\$</b>	<b>10,518,653</b>	<b>\$</b>	<b>10,518,653</b>	<b>\$</b>	<b>10,518,653</b>
<b>Business-type activities</b>																								
Invested in capital assets, net of related debt	\$	104,128	\$	104,005	\$	125,765	\$	156,084	\$	165,552	\$	172,759	\$	234,756	\$	221,281	\$	190,817	\$	197,196	\$	197,196	\$	197,196
Restricted		-		-		-		-		-		-		-		-		-		-		-		-
Unrestricted		356,362		451,208		546,745		519,910		692,497		863,277		1,322,455		1,439,520		2,267,733		2,732,438		2,732,438		2,732,438
<b>Total business-type activities Net Position</b>	<b>\$</b>	<b>460,490</b>	<b>\$</b>	<b>555,213</b>	<b>\$</b>	<b>672,510</b>	<b>\$</b>	<b>675,994</b>	<b>\$</b>	<b>858,049</b>	<b>\$</b>	<b>1,036,036</b>	<b>\$</b>	<b>1,557,211</b>	<b>\$</b>	<b>1,660,801</b>	<b>\$</b>	<b>2,458,550</b>	<b>\$</b>	<b>2,929,634</b>	<b>\$</b>	<b>2,929,634</b>	<b>\$</b>	<b>2,929,634</b>
<b>District-wide</b>																								
Invested in capital assets, net of related debt	\$	13,601,180	\$	9,299,646	\$	15,753,465	\$	23,564,276	\$	27,613,867	\$	28,374,118	\$	29,382,209	\$	30,678,095	\$	31,489,288	\$	7,591,805	\$	7,591,805	\$	7,591,805
Restricted		2,205,622		7,646,341		4,537,223		(296,966)		2,766,199		3,075,157		4,251,460		6,190,665		9,901,243		14,812,066		14,812,066		14,812,066
Unrestricted		(1,527,312)		(12,545,896)		(12,569,085)		(13,971,863)		(14,062,897)		(14,152,298)		(13,355,950)		(12,558,857)		(10,729,151)		(8,955,584)		(8,955,584)		(8,955,584)
<b>Total district Net Position</b>	<b>\$</b>	<b>14,279,490</b>	<b>\$</b>	<b>4,400,091</b>	<b>\$</b>	<b>7,721,603</b>	<b>\$</b>	<b>9,295,447</b>	<b>\$</b>	<b>16,317,169</b>	<b>\$</b>	<b>17,296,977</b>	<b>\$</b>	<b>20,277,719</b>	<b>\$</b>	<b>24,309,903</b>	<b>\$</b>	<b>30,661,380</b>	<b>\$</b>	<b>13,448,287</b>	<b>\$</b>	<b>13,448,287</b>	<b>\$</b>	<b>13,448,287</b>

Source: ACFR Schedule A-1

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**Exhibit J-2**

**Changes in Net Position, Last Ten Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 11,848,422	\$ 11,790,222	\$ 11,090,323	\$ 11,153,402	\$ 11,079,309	\$ 11,840,452	\$ 11,824,389	\$ 9,268,474	\$ 10,497,866	\$ 16,348,298
Special education	3,520,467	3,514,081	3,533,262	3,596,789	3,791,463	3,688,620	3,481,695	5,913,171	6,030,567	4,296,414
Other special education	1,114,718	1,127,423	1,157,768	1,204,604	937,894	940,510	870,212	-	-	910,896
Other instruction	406,459	395,931	414,379	412,248	421,608	413,568	427,261	1,275,747	993,935	586,909
Support Services:										
Tuition	2,026,092	2,148,659	2,192,603	2,377,397	2,431,705	2,795,698	2,616,056	2,734,279	2,842,301	3,120,536
Student & instruction related services	3,065,970	2,993,688	3,164,590	2,914,522	3,141,671	3,150,476	3,045,212	3,781,140	5,169,612	7,097,116
General administrative services	1,409,308	1,534,346	1,558,227	1,716,094	1,888,938	1,978,446	2,082,263	992,027	1,011,617	2,661,226
School administrative services	1,530,355	1,528,796	1,590,573	1,553,513	1,513,250	1,557,054	1,581,367	2,351,738	2,522,153	1,853,899
Plant operations and maintenance	3,383,562	3,411,630	3,286,059	3,648,380	3,370,141	3,524,175	3,190,033	3,080,913	3,578,253	5,067,283
Pupil transportation	1,774,562	1,821,753	1,904,265	1,906,650	2,064,094	2,008,657	2,186,392	1,761,403	2,213,845	3,539,936
Unallocated Employee Benefits	9,503,065	13,632,801	15,223,138	20,192,024	21,547,787	17,296,794	14,575,393	17,636,477	11,676,132	
Interest on long-term debt	298,628	334,042	311,090	299,776	286,142	215,202	196,235	212,491	201,691	190,890
Unallocated depreciation	-	-	-	-	-	-	-	679,916	642,204	588,314
Total governmental activities expenses	39,881,608	44,233,372	45,426,277	50,975,399	52,474,002	49,409,652	46,076,508	49,687,776	47,380,176	46,261,717
Business-type activities:										
Food service	1,152,487	1,218,000	1,257,062	1,264,743	1,229,307	1,353,109	1,216,763	922,223	1,269,059	1,442,683
Academy Program	199,081	135,854	258,933	183,041	149,904	29,899	25,815	39,222	26,108	22,717
Internal Service Fund	8,800	8,250	8,500	8,700	8,900	9,000	9,250			
Total business-type activities expense	1,360,368	1,362,104	1,524,495	1,456,484	1,388,111	1,392,008	1,251,828	961,445	1,295,167	1,465,400
Total district expenses	\$ 41,241,976	\$ 45,595,476	\$ 46,950,772	\$ 52,431,883	\$ 53,862,113	\$ 50,801,660	\$ 47,328,336	\$ 50,649,221	\$ 48,675,343	\$ 47,727,117
<b>Program Revenues</b>										
Governmental activities:										
Charges for services & Operating Grants:										
Instruction	\$ 6,491,654	\$ 6,105,854	\$ 6,044,797	\$ 5,719,957	\$ 5,545,390	\$ 6,102,700	\$ 5,626,846	\$ 2,440,290	\$ 3,272,639	\$ 471,033
Student & Related Services	1,153,930	833,369	807,675	688,950	619,403	395,560	1,048,765	1,107,197	1,987,629	
Unallocated								12,151,290	7,134,002	
Operating grants and contributions	21,546,619	26,905,535	23,631,220	24,303,622	33,658,419	31,359,699	29,730,835	24,842,297	28,440,348	45,475,779
Capital grants and contributions										
Total governmental activities program revenues	29,192,203	33,844,758	30,483,692	30,712,529	39,823,212	37,857,959	36,406,446	40,541,074	40,834,618	45,946,812
Business-type activities:										
Charges for services										
Food service	270,222	250,251	237,628	246,942	229,551	229,575	139,195	13,817	7,520	241,689
Academy Program	186,707	135,854	330,150	134,055	285,842	235,946	371,815	299,443	264,154	274,699
Internal Service Fund	8,800	8,250	8,500	8,700	8,900	9,000	9,250			
Operating grants and contributions	955,653	1,062,384	1,065,415	1,070,189	1,045,794	1,094,919	1,251,749	751,769	1,821,242	1,379,576
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	1,421,382	1,456,739	1,641,693	1,459,886	1,570,087	1,569,440	1,772,009	1,065,029	2,092,916	1,895,964
Total district program revenues	\$ 30,613,585	\$ 35,301,497	\$ 32,125,385	\$ 32,172,415	\$ 41,393,299	\$ 39,427,399	\$ 38,178,455	\$ 41,606,103	\$ 42,927,534	\$ 47,842,776
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (36,587,788)	\$ (38,487,054)	\$ (44,122,927)	\$ (46,065,095)	\$ (43,244,859)	\$ (39,578,248)	\$ (9,670,062)	\$ (9,146,702)	\$ (6,545,558)	\$ (314,905)
Business-type activities	59,278	(67,756)	185,209	71,775	178,079	317,612	520,181	103,584	797,749	430,564
Total district-wide net expense	\$ (36,528,510)	\$ (38,554,810)	\$ (43,937,718)	\$ (45,993,320)	\$ (43,066,780)	\$ (39,260,636)	\$ (9,149,881)	\$ (9,043,118)	\$ (5,747,809)	\$ 115,659

-Continued-

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**Exhibit J-2**

**Changes in Net Position, Last Ten Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,368,642	\$ 10,818,459	\$ 17,228,024	\$ 20,674,154	\$ 18,299,088	\$ 11,187,209	\$ 11,427,627	\$ 11,243,445	\$ 11,131,011	\$ 10,900,000
Taxes levied for debt service	550,349	549,929	690,923	775,635	771,387	767,734	753,508	523,425	512,625	501,824
Tuition Received								369,487	224,337	
Miscellaneous income	110,590	104,316	227,852	383,442	419,982	398,571	123,779	49,954	231,313	410,808
Other							(175,285)			
Transfers										
Total governmental activities	11,029,581	11,472,704	18,146,799	21,833,231	19,490,457	12,353,514	12,129,629	12,186,311	12,099,286	11,812,632
Business-type activities:										
Miscellaneous Income	98	88	99	82	79	555	994	6	-	559
Transfers										
Total business-type activities	98	88	99	82	79	555	994	6	-	559
Total district-wide	32,576,298	\$ 38,378,327	\$ 41,778,118	\$ 46,136,935	\$ 53,148,955	\$ 43,713,768	\$ 12,130,623	\$ 12,186,317	\$ 12,099,286	\$ 11,813,191
<b>Change in Net Position</b>										
Governmental activities	\$ (5,910,854)	\$ (5,744,688)	\$ (4,287,076)	\$ 2,891,994	\$ 13,570,628	\$ 701,048	\$ 7,871,465	\$ 3,039,609	\$ 5,553,728	\$ 11,497,727
Business-type activities	(67,658)	185,397	71,874	178,161	317,691	811,119	104,578	103,590	797,749	431,123
Total district	\$ (5,978,512)	\$ (5,559,291)	\$ (4,215,202)	\$ 3,070,155	\$ 13,888,319	\$ 1,512,167	\$ 7,976,043	\$ 3,143,199	\$ 6,351,477	\$ 11,928,850

Source: ACFR Schedule A-2

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year Ending June 30,</u>		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
					<u>2018</u>	<u>2019</u>				
General Fund										
Reserved	\$ 1,609,717	\$ 1,516,799	\$ 2,451,819	\$ 2,656,728	\$ 2,470,834	\$ 2,779,792	\$ 2,558,115	\$ 5,822,853	\$ 9,540,062	\$ 13,762,491
Assigned	1,083,781	832,767	1,008,080	975,835	762,425	575,303	2,396,259	710,493	414,570	1,291,881
Unreserved	(1,284,628)	(1,264,483)	(1,216,613)	(1,240,021)	(1,308,142)	(1,403,310)	(1,572,340)	(940,160)	(1,306,015)	(2,275,830)
Total general fund	<u>\$ 1,408,870</u>	<u>\$ 1,085,083</u>	<u>\$ 2,243,286</u>	<u>\$ 2,392,542</u>	<u>\$ 1,925,117</u>	<u>\$ 1,951,785</u>	<u>\$ 3,382,034</u>	<u>\$ 5,593,186</u>	<u>\$ 8,648,617</u>	<u>\$ 12,778,542</u>
All Other Governmental Funds										
Reserved	\$ 62,124	\$ 5,734,409	\$ 1,658,627	\$ (3,406,455)	\$ 295,365	\$ 295,365	\$ 295,365	\$ 367,812	\$ 361,181	\$ 449,180
Unreserved, reported in:										
Special revenue fund	(86,697)	(86,697)	(72,248)	(76,693)	(67,802)	(69,955)	(62,413)	(71,016)	(164,781)	(244,938)
Capital projects fund										
Debt service fund										
Total all other governmental funds	<u>\$ (24,573)</u>	<u>\$ 5,647,712</u>	<u>\$ 1,586,379</u>	<u>\$ (3,483,148)</u>	<u>\$ 227,563</u>	<u>\$ 225,410</u>	<u>\$ 232,952</u>	<u>\$ 296,796</u>	<u>\$ 196,400</u>	<u>\$ 204,242</u>

Source: ACFR Schedule B-1

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Tax levy	\$ 10,918,991	\$ 11,368,388	\$ 11,948,501	\$ 12,176,438	\$ 11,786,705	\$ 11,954,943	\$ 12,181,135	\$ 11,766,870	\$ 11,643,636	\$ 11,401,824
Tuition charges	1,153,930	833,369	807,675	688,950	619,403	395,560	1,048,765	369,487	224,337	471,033
Transportation	16,692	13,818	2,826	15,681	-	1,199	-	-	-	-
Miscellaneous	93,898	90,498	225,026	367,761	419,982	397,372	123,779	148,554	401,815	410,808
State sources	25,854,384	26,689,945	28,609,071	26,673,373	34,920,045	29,797,161	30,622,139	32,111,072	37,821,145	42,152,399
Federal sources	2,183,889	2,426,400	2,323,079	2,104,266	1,962,284	2,623,281	2,425,818	2,843,566	3,871,297	7,333,073
<b>Total revenue</b>	<b>40,221,784</b>	<b>41,422,418</b>	<b>43,916,178</b>	<b>42,026,469</b>	<b>49,708,419</b>	<b>45,169,516</b>	<b>46,401,636</b>	<b>47,239,549</b>	<b>53,962,230</b>	<b>61,769,137</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	11,544,931	11,487,364	10,796,077	10,859,450	10,784,962	11,534,394	11,518,331	9,191,472	10,353,672	12,973,589
Special education instruction	3,520,467	3,514,081	3,533,262	3,956,789	3,791,463	3,688,620	3,481,695	5,913,171	6,030,567	3,409,524
Other special instruction	1,114,718	1,127,423	1,157,768	1,204,604	937,894	940,510	870,212	-	-	722,864
Other instruction	406,459	395,931	414,379	412,248	421,608	413,568	427,261	1,275,747	993,935	465,756
<b>Support Services and undistributed costs:</b>										
Tuition	2,026,092	2,148,659	2,192,603	2,377,397	2,431,705	2,795,698	2,616,056	2,734,279	2,842,301	2,476,377
Student & instruction related services	3,065,970	2,993,688	3,164,590	2,914,522	3,141,671	3,150,476	3,045,212	3,798,312	5,196,459	7,175,180
School Administrative services	1,530,355	1,528,796	1,590,573	1,553,513	1,513,250	1,495,842	1,520,155	1,420,608	1,368,924	1,471,207
General administrative services	781,045	892,094	908,242	978,181	934,214	961,271	809,849	974,855	984,770	2,111,881
Other Administration	555,755	570,147	577,449	665,808	882,619	1,006,902	1,171,663	931,130	1,153,229	
Plant operations and maintenance	3,153,643	3,156,324	3,024,909	3,381,338	3,087,567	3,221,589	2,834,994	3,080,913	3,578,253	4,021,266
Pupil transportation	1,774,562	1,821,753	1,904,265	1,906,650	2,064,094	2,008,657	2,186,392	1,761,403	2,213,845	2,809,202
Business and other support services										
Unallocated employee benefits	9,507,464	9,696,957	10,201,871	11,398,858	11,512,246	12,292,976	12,355,261	13,032,186	14,457,894	15,122,912
Charter Schools	-	-	-	-	-	-	23,385	77,002	144,194	353,857
Capital outlay	498,068	1,717,805	6,157,657	7,536,257	3,806,815	483,173	733,676	505,820	1,123,861	4,015,931
<b>Debt service:</b>										
Principal	845,000	900,000	955,000	930,000	935,000	950,000	945,000	360,000	360,000	360,000
Interest and other charges	211,470	122,898	240,663	231,125	220,025	201,325	182,235	216,091	205,291	141,824
<b>Total expenditures</b>	<b>40,648,390</b>	<b>41,750,680</b>	<b>47,046,877</b>	<b>50,223,614</b>	<b>47,613,028</b>	<b>44,708,632</b>	<b>44,721,377</b>	<b>45,272,989</b>	<b>51,007,195</b>	<b>57,631,370</b>
Excess (Deficiency) of revenues over (under) expenditures	774,028	2,165,498	(2,020,408)	(515,195)	(2,443,512)	1,693,004	1,680,259	1,966,560	2,955,035	4,137,767
<b>Net change in fund balances</b>	<b>\$ 774,028</b>	<b>\$ 8,165,498</b>	<b>\$ (2,020,408)</b>	<b>\$ (515,195)</b>	<b>\$ (2,443,512)</b>	<b>\$ 1,693,004</b>	<b>\$ 1,680,259</b>	<b>\$ 1,966,560</b>	<b>\$ 2,955,035</b>	<b>\$ 4,137,767</b>
Debt service as a percentage of noncapital expenditures	2.63%	2.56%	2.92%	2.72%	2.64%	2.60%	2.57%	1.29%	1.14%	0.9%

Source: ACFR Schedule B-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u> <u>Fees</u>	<u>Building</u> <u>Rentals</u>	<u>LEA</u> <u>Tuition</u>	<u>Homeless</u> <u>Tuition</u>	<u>Ticket Sales</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 5,105	\$ 23,021	\$ 16,692	\$ 7,120			\$ 15,445	\$ 42,220	\$ 109,603
2015	6,164	20,246	13,818	7,039	\$ 39,029		13,872	319	100,487
2016	8,193	13,855	2,826	7,400		\$ 185,784	7,482	478	226,018
2017	5,957	-	29,998	9,250	10,959	315,050	7,545	4,136	382,895
2018	6,785	-	-	8,550	-	339,434	13,726	26,490	394,985
2019	36,293	-	1,199	6,150	395,560	299,295	15,715	16,264	770,476
2020	69,775	-	-	4,000	474,786	573,979	16,586	32,227	1,171,353
2021	-	-	-	-	164,570	204,917	-	49,954	419,441
2022	1,021	19,743	-	6,600	115,349	108,988	-	203,949	455,650
2023	176,805	70,907	-	5,600	270,780	200,253	-	2,289	726,634

SOURCE: District Records

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years - Township of Carneys Point**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less:		Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
									Tax- Exempt Property	Public Utilities a			
2014	\$26,961,600	\$431,427,600	\$12,728,300	\$2,053,100	\$124,840,100	\$102,986,600	26,206,500	848,233,596	\$119,968,400	\$1,061,396	728,265,196	\$1.177	\$706,895,759
2015	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	878,743,031	120,401,800	796,031	758,341,231	1.233	684,322,638
2016	26,401,800	433,158,000	12,856,900	1,919,200	125,204,100	105,509,500	26,206,500	852,895,572	120,830,200	809,372	732,065,372	1.300	704,755,689
2017	21,466,200	410,069,400	12,732,100	2,005,300	120,308,900	105,033,200	26,206,500	820,079,300	121,457,400	800,300	698,621,900	1.411	598,782,907
2018	20,609,500	385,625,700	12,772,800	2,010,400	118,757,000	103,067,600	24,154,300	790,462,620	122,701,200	764,120	667,761,420	1.457	543,999,103
2019	20,964,800	387,022,600	12,140,900	2,002,000	121,111,000	77,067,600	24,154,300	767,977,600	123,514,400	0	644,463,200	1.508	591,467,695
2020	19,527,300	368,134,600	12,086,000	2,027,200	108,764,300	100,467,300	27,291,100	829,588,800	191,291,000	0	638,297,800	1.555	644,128,818
2021	17,728,500	378,215,600	12,008,500	2,002,900	105,557,100	100,467,300	27,291,100	835,923,800	192,652,800	0	643,271,000	1.530	637,103,152
2022	33,813,600	377,415,900	11,125,500	1,786,200	106,949,600	100,467,300	27,291,100	851,510,500	192,661,300	0	658,849,200	1.474	648,665,654
2023	37,368,300	377,214,200	10,982,800	1,760,900	109,877,100	100,536,100	27,601,500	1,025,416,600	360,075,700	0	665,340,900	1.434	663,056,654

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years - Borough of Penns Grove**

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2014	\$3,497,900	\$135,369,000	-	-	\$34,908,200	-	3,682,500	239,659,800	\$62,202,200	-	177,457,600	\$1.213	\$173,865,114
2015	3,617,500	134,416,600	-	-	33,885,400	-	3,682,500	238,320,600	62,718,600	-	175,602,000	1.226	167,636,422
2016	3,656,300	133,711,300	-	-	34,805,100	-	3,682,500	237,614,000	61,758,800	-	175,855,200	1.212	153,129,299
2017	3,654,400	131,674,400	-	-	32,760,400	-	3,599,400	234,537,800	62,849,200	-	171,688,600	1.280	142,314,821
2018	3,661,500	130,289,000	-	-	32,825,200	-	3,599,400	233,306,800	62,931,700	-	170,375,100	1.324	132,887,528
2019	3,465,200	127,778,200	-	-	32,691,100	-	3,270,700	230,277,600	63,072,400	-	167,205,200	1.279	125,812,792
2020	3,126,200	105,256,700	-	-	26,891,600	-	3,100,700	186,332,800	47,957,600	-	138,375,200	1.550	138,809,684
2021	2,705,400	105,077,000	-	-	25,854,700	-	3,100,700	184,893,200	48,155,400	-	136,737,800	1.547	123,264,942
2022	2,857,500	102,809,100	-	-	25,738,700	-	3,063,200	183,642,800	49,174,300	-	134,468,500	1.467	138,842,024
2023	3,004,700	103,015,700	-	-	25,106,900	-	3,063,200	183,246,900	49,056,400	-	134,190,500	1.462	139,728,563

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates - Township of Carneys Point**  
**Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Penns Grove-Carneys Point Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipal	Municipal Open Space	Salem County	
2014	\$1.115	\$0.062	\$1.177	\$0.392	\$0.001	\$0.936	\$2.506
2015	\$1.171	\$0.062	\$1.233	\$0.413	\$0.000	\$0.907	\$2.553
2016	\$1.237	\$0.063	\$1.300	\$0.435	\$0.001	\$0.961	\$2.697
2017	\$1.329	\$0.082	\$1.411	\$0.484	\$0.001	\$0.933	\$2.829
2018	\$1.364	\$0.093	\$1.457	\$0.529	\$0.001	\$0.949	\$2.936
2019	\$1.413	\$0.095	\$1.508	\$0.550	\$0.001	\$1.090	\$3.149
2020	\$1.458	\$0.097	\$1.555	\$0.602	\$0.001	\$1.217	\$3.375
2021	\$1.435	\$0.095	\$1.530	\$0.630	\$0.001	\$1.186	\$3.347
2022	\$1.379	\$0.095	\$1.474	\$0.668	\$0.085	\$1.175	\$3.402
2023	\$1.372	\$0.062	\$1.434	\$0.698	\$0.001	\$1.217	\$3.350

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prior budget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates - Borough of Penns Grove**  
**Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Penns Grove-Carneys Point Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipal	Municipal Open Space	Salem County	
2014	\$1.150	\$0.063	\$1.213	\$1.512	\$0.000	\$0.946	\$3.671
2015	\$1.164	\$0.062	\$1.226	\$1.600	\$0.000	\$0.864	\$3.690
2016	\$1.153	\$0.059	\$1.212	\$1.648	\$0.000	\$0.871	\$3.731
2017	\$1.206	\$0.074	\$1.280	\$1.753	\$0.000	\$0.962	\$3.995
2018	\$1.240	\$0.084	\$1.324	\$1.812	\$0.000	\$0.912	\$4.048
2019	\$1.195	\$0.084	\$1.279	\$1.859	\$0.000	\$0.896	\$4.034
2020	\$1.450	\$0.100	\$1.550	\$2.272	\$0.000	\$1.208	\$5.030
2021	\$1.451	\$0.096	\$1.547	\$2.294	\$0.000	\$1.168	\$5.009
2022	\$1.371	\$0.096	\$1.467	\$2.363	\$0.000	\$1.114	\$4.944
2023	\$1.396	\$0.066	\$1.462	\$2.426	\$0.000	\$1.279	\$5.167

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prior budget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers- Township of Carneys Point**  
**Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
The Chemours % Chambers Cogen Ltd.	\$ 41,750,000	1	6.27%			
McLane New Jersey, Inc.	27,900,000	2	4.19%			
The Chemours Co. FC, LLC	24,381,000	3	3.66%			
PHI Service Co % Connective Real Estate	12,900,000	4	1.94%	INFORMATION NOT AVAILABLE		
RBA Assoc. LLC C/O Switzenbaum	11,650,000	5	1.75%			
Sandy Ridge Apartments, LLC	8,670,000	6	1.30%			
Delaware River Bay Authority	8,200,000	7	1.23%			
CFJ Properties % Pilot Travel #688	7,480,800	8	1.12%			
Southgate Realty LLC	7,159,500	9	1.08%			
Meriod Gardens Assisted Living Co.	4,933,000	10	0.74%			
Total	<u>\$ 155,024,300</u>		<u>23.30%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers- Borough of Penns Grove**  
**Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Incollingo's Penn Grove Properties	\$ 2,028,100	1	1.51%	INFORMATION NOT AVAILABLE		
NJEC Assoc % Walgreens Real Estate	1,928,000	2	1.44%			
Rite Aid of New Jersey	1,890,600	3	1.41%			
Argyosomus LLC	1,476,000	4	1.10%			
Spirit Master Funding VII LLC	1,407,500	5	1.05%			
Realty Inc Property	1,181,000	6	0.88%			
99 Regional LLC	998,400	7	0.74%			
Jaz Assets, LLC	958,900	8	0.71%			
Salem Day Care Realty, LLC	838,300	9	0.62%			
Bell Atlantic % Duff & Phelps	708,600	10	0.53%			
Total	<u>\$ 13,415,400</u>		<u>10.00%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$10,368,642	\$9,728,841	93.83%	\$639,801
2015	11,642,325	11,392,113	97.85%	250,212
2016	11,952,939	11,707,165	97.94%	245,774
2017	12,209,206	11,969,226	98.03%	239,980
2018	11,786,705	11,786,705	100.00%	-
2019	11,954,943	11,954,943	100.00%	-
2020	12,181,135	12,181,135	100.00%	-
2021	11,766,870	11,766,870	100.00%	-
2022	11,766,870	11,766,870	100.00%	-
2023	11,401,824	11,401,824	100.00%	-

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

**Note:** 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 is the amount voted upon or certified prior to the end of the school year.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$ 4,795,000	-	-	-	-	\$ 4,795,000	0.88%	\$113.06	
2015	9,995,000	-	-	-	-	9,995,000	1.75%	224.22	
2016	9,040,000	-	-	-	-	9,040,000	1.58%	200.33	
2017	8,110,000	-	-	-	-	8,110,000	1.40%	176.60	
2018	7,175,000	-	-	-	-	7,175,000	1.20%	151.10	
2019	6,225,000	-	-	-	-	6,225,000	0.98%	123.03	
2020	5,280,000	-	-	-	-	5,280,000	0.78%	96.74	
2021	4,920,000	-	-	-	-	4,920,000	0.69%	85.50	
2022	4,560,000	-	-	-	-	4,560,000	0.58%	79.24	
2023	4,200,000	-	-	-	-	4,200,000	0.54%	72.98	

\*

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

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

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

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

\* Current data unavailable

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Exhibit J-11**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2014	\$ 4,795,000	-0-	\$ 4,795,000	0.56%	\$374
2015	9,995,000	-0-	9,995,000	1.17%	787
2016	9,040,000	-0-	9,040,000	1.05%	717
2017	8,110,000	-0-	8,110,000	1.09%	647
2018	7,175,000	-0-	7,175,000	1.06%	574
2019	6,225,000	-0-	6,225,000	0.87%	499
2020	5,280,000	-0-	5,280,000	0.74%	429
2021	4,920,000	-0-	4,920,000	0.62%	395
2022	4,560,000	-0-	4,560,000	0.57%	336
2023	4,200,000	-0-	4,200,000	0.53%	311

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

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

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

**R** Revised

\* Current data unavailable



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Constituent Municipalities	\$ 4,523,051	100%	\$ 4,523,051
<b>Other debt</b>			
Salem County	77,900,051	14.82%	<u>11,541,002</u>
Subtotal, overlapping debt			16,064,053
<b>Penns Grove-Carneys Point Regional School District Direct Debt</b>	4,200,000	100%	<u>4,200,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 20,264,053</u></u>

**Sources:** Constituent Municipalities Finance Officer, Salem County Finance Office and Utility Authorities

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis
	2020 \$ 739,720,141
	2021 787,507,181
	2022 939,602,865
	[A] <u>\$ 2,466,830,187</u>
Average equalized valuation of taxable property	[A/3] \$ 822,276,729
Debt limit (3.5 % of average equalization value) <sup>a</sup>	[B] 28,779,686
Net bonded school debt	[C] 4,200,000
Legal debt margin	[B-C] <u>\$ 24,579,686</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$34,599,511	\$34,559,511	\$34,559,511	\$34,559,511	\$34,559,511	\$29,443,364	\$30,124,797	\$27,246,129	\$27,183,480	\$28,779,686
Total net debt applicable to limit	<u>4,795,000</u>	<u>9,995,000</u>	<u>9,040,000</u>	<u>8,110,000</u>	<u>7,175,000</u>	<u>6,225,000</u>	<u>5,280,000</u>	<u>4,920,000</u>	<u>4,560,000</u>	<u>4,200,000</u>
Legal debt margin	<u>\$29,804,511</u>	<u>\$24,564,511</u>	<u>\$25,519,511</u>	<u>\$26,449,511</u>	<u>\$27,384,511</u>	<u>\$23,218,364</u>	<u>\$24,844,797</u>	<u>\$22,326,129</u>	<u>\$22,623,480</u>	<u>\$24,579,686</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.59%

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	12,818	\$ 543,637,016	\$42,412 R	9.8%
2015	12,818	\$ 571,375,168	\$44,576 R	8.6%
2016	12,698	\$ 573,009,948	\$45,126 R	7.6%
2017	12,614	\$ 579,272,722	\$45,923 R	7.2%
2018	12,553	\$ 596,079,205	\$47,485 R	6.4%
2019	12,516	\$ 633,272,052	\$50,597 R	6.1%
2020	12,423	\$ 678,022,494	\$54,578 R	11.0%
2021	12,444	\$ 716,114,868	\$57,547 R	9.5%
2022	13,566	\$ 780,682,602	\$57,547 *	5.7%
2023	13,517	\$ 777,862,799	\$57,547 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R Revised

P Projected

\* Current data unavailable

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**

**Exhibit J-15**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
PSE&G	1,500	1	N/A			
EI DuPont	800	2	N/A			
Mannington Mills	720	3	N/A			
Memorial Hospital of Salem Co.	685	4	N/A	INFORMATION NOT AVAILABLE		
Atlantic City Electric	401	5	N/A			
RE Peirson Construction	400	6	N/A			
Anchor Glass	400	7	N/A			
McLane NJ	376	8	N/A			
Elmer Hospital	275	9	N/A			
Walmart	250	10	N/A			
	<u>5,807</u>			<u>-</u>		

**Source:** Salem County Office of Economic Development  
and Employer Directly

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	160.0	149.0	147.0	142.0	140.0	144.0	146.0	129.0	129.0	148.0
Special education	41.0	42.0	41.0	39.0	38.0	40.0	40.0	56.9	56.9	40.0
Other special education	31.0	27.0	30.0	31.0	30.0	25.0	25.0	29.1	29.1	8.0
Other Instruction	32.0	32.0	33.0	12.0	17.0	10.0	10.0	9.9	9.9	20.0
Support Services:										
Student & instruction related services	21.0	21.0	21.0	21.0	23.0	23.0	20.0	31.0	31.0	25.0
General administrative services	9.0	9.0	10.0	9.0	10.0	10.0	11.0	16.0	16.0	14.0
School administrative services	23.0	23.0	22.0	21.0	21.0	20.0	20.0	18.0	18.0	20.0
Business administrative services	5.0	5.0	5.0	4.0	5.0	5.0	5.0	4.0	4.0	5.0
Plant operations and maintenance	41.0	54.0	46.0	37.0	37.0	35.0	36.0	31.0	31.0	46.0
Pupil transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service:	36.0	30.0	34.0	32.0	29.0	31.0	29.0	15.6	15.6	25.0
Total	400.0	393.0	390.0	349.0	351.0	344.0	343.0	341.5	341.5	352.0

**Source:** District Personnel Records

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Lafayette Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2014	2,341	\$ 36,011,810	\$ 15,383	0.78%	212	12.8	12.0	10.4	9.1	8.9	2,341.5	2,175.3	1.59%	92.9%
2015	2,289	36,226,675	15,826	2.88%	208	12.8	12.0	10.4	9.1	8.9	2,287.3	2,122.2	-2.31%	92.8%
2016	2,212	36,530,271	16,515	4.35%	197	13.2	12.1	10.8	9.1	9.8	2,206.3	2,058.5	-3.54%	93.3%
2017	2,160	38,440,652	17,797	7.76%	186	13.2	12.1	10.8	9.1	9.8	2,143.5	2,001.4	-2.85%	93.4%
2018	2,057	38,911,116	18,916	6.29%	186	13.5	12.1	12.1	10.1	9.1	2,156.5	2,018.1	0.61%	93.6%
2019	2,170	40,236,916	18,542	-1.98%	207.0	12.0	10.7	12.0	9.7	9.3	2,169.9	2,029.8	0.62%	93.5%
2020	2,171	39,949,060	18,401	-0.76%	186.0	10.9	12.8	12.2	12.2	11.4	2,212.7	2,122.8	1.97%	95.9%
2021	2,188	40,597,951	18,555	0.83%	186.0	14.3	13.8	13.1	13.0	11.6	2,184.7	2,019.9	-1.27%	92.5%
2022	2,188	44,633,830	20,399	9.94%	186.0	14.3	13.8	13.1	13.0	11.6	2,184.7	2,019.9	0.00%	92.5%
2023	2,167	53,113,615	24,510	20.15%	193.0	8.1	11.8	12.1	11.4	12.2	2,153.0	1,981.0	-1.45%	92.0%

**Sources:** District records and ASSA Schedules

**Note:** Enrollment based on annual October district count.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Buildings</u></b>										
<b><u>Elementary Schools:</u></b>										
Lafayette-Pershing (1991):										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	393	350	350	304	316	324	324	271	271	259
Field Street (1955):										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901
Capacity (Students)	489	489	489	489	489	489	489	489	489	489
Enrollment	552	547	547	530	504	493	493	496	496	495
Paul W. Carleton (1951):										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115
Capacity (Students)	369	369	369	369	369	369	369	369	369	369
Enrollment	313	312	312	328	247	362	362	328	328	338
<b><u>Middle School:</u></b>										
Penns Grove Middle School (1935):										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (Students)	541	541	541	541	541	541	541	541	541	541
Enrollment	500	485	485	444	463	468	468	535	535	478
<b><u>High School:</u></b>										
Penns Grove High School (1971):										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (Students)	990	990	990	990	990	990	990	990	990	990
Enrollment	564	544	544	519	504	523	524	558	558	597
<b><u>Administration Building:</u></b>										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2023

**Source:** District records, ASSA

Elementary School = 3

Middle School = 1

High School = 1

Other = 1

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

\* Functional Educational Capacity. Fluctuation in capacity based on change in State of New Jersey formula.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
Last Ten Fiscal Years Ending June 30, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Penns Grove High School		\$ 72,038	\$ 99,482	\$ 95,285	\$ 139,153	\$ 96,025	\$ 76,369	\$ 57,009	\$ 73,848	\$ 158,747	\$ 157,097	\$ 1,025,053
Penns Grove Middle School		55,072	97,369	39,016	135,689	24,732	104,031	28,265	40,156	58,597	57,731	640,658
Paul W. Carleton School		30,633	34,679	37,958	38,698	26,736	48,046	18,207	26,324	48,158	47,584	357,023
Field Street School		120,897	30,521	35,080	93,009	64,966	66,098	19,959	31,578	25,565	25,192	512,865
Lafayette-Pershing School		41,598	24,385	25,932	56,874	40,266	62,624	23,557	21,245	27,596	27,291	351,368
												-
Total School Facilities		320,238	286,436	233,271	463,423	252,725	357,168	146,997	193,151	318,663	314,894	2,886,966
Other Facilities		5,227	8,908	7,375	4,104	2,768	15,441	1,094	24,874	35,474	34,988	140,253
<b>Grand Total</b>		<b>\$ 325,465</b>	<b>\$ 295,344</b>	<b>\$ 240,646</b>	<b>\$ 467,527</b>	<b>\$ 255,493</b>	<b>\$ 372,609</b>	<b>\$ 148,091</b>	<b>\$ 218,025</b>	<b>\$ 354,137</b>	<b>\$ 349,882</b>	<b>\$ 3,027,219</b>



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>PROPERTY SECTION -</b>		
Property-Blanket Building and Contents	\$ 175,000,000	
GCSSDJIF Self insured retention	250,000	
Member District Deductible		\$ 500
Property Valuation:		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
<b>BOILER AND MACHINERY</b>		
Limits of Liability	125,000,000	
GCSSDJIF Self insured retention	None	
Member District Deductible		1,000
<b>GENERAL AND AUTOMOBILE LIABILITY SECTION -</b>		
Limits of Liability	20,000,000	None
GCSSDJIF Self insured retention	250,000	
<b>WORKERS' COMPENSATION -</b>		
Limits of Liability	Statutory	None
GCSSDJIF Self insured retention	250,000	
<b>SCHOOL BOARD LEGAL LIABILITY POLICY -</b>		
Limits of Liability	20,000,000	
GCSSDJIF Self insured retention	175,000	None
<b>CRIME -</b>		
Limits of Liability	500,000	
GCSSDJIF Self insured retention	250,000	500
<b>ENVIRONMENTAL IMPAIRMENT LIABILITY</b>		
Limits of Liability	3,000,000	
GCSSDJIF Self insured retention	None	
Member District Deductible		25,000
Member District Deductible-Mold Incident		100,000-250,000
<b>INDIVIDUAL BONDS: (Selective Insurance Co.)</b>		
Christopher Destratis, Business Administrator	275,000	None

SOURCE: District Records

# Single Audit Section

## **ARDITO & COMPANY LLC**

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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

#### Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District Board of Education in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Penns Grove-Carneys Point Regional School District Board of Education's basic financial statements, and have issued our report thereon dated December 5, 2023.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under **Government Auditing Standards** or audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in the accompanying schedule of findings and questioned costs as item 2023-001.

We noted certain matters that we reported to management of the Penns Grove-Carneys Point Regional School District, in a separate letter dated December 5, 2023 entitled "Auditor's Management Report on Administrative Findings".

### **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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
December 5, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
December 5, 2023



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

### **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB circular 15-08**

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

#### **Report on Compliance for Each Major Federal and State Program**

##### ***Opinion on Each Major Federal and State Program***

We have audited the Penns Grove-Carneys Point Regional School District Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The Penns Grove-Carneys Point Regional School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Penns Grove-Carneys Point Regional School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

##### ***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; and 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); the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 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 Penns Grove-Carneys Point Regional School District Board of Education, 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Penns Grove-Carneys Point Regional School District Board of Education's compliance with the compliance requirements referred to above.

-Continued-

### ***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 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 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 generally accepted auditing standards, ***Government Auditing Standards***, the Uniform Guidance, and New Jersey OMB Circular 15-08 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 judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, the Uniform Guidance and New Jersey OMB Circular 15-08, 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 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 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal and state program is not modified with respect to these matters.

***Government Auditing Standards*** requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

-Continued-

***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 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 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 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.

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

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
December 5, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
December 5, 2023

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
<b>General Fund:</b>															
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	108,973	7/1/22	6/30/23	\$ (13,228)		\$ 102,677	\$ (108,973)			\$ (19,524)			\$ 108,973
<b>Total General Fund</b>						<b>(13,228)</b>		<b>102,677</b>	<b>(108,973)</b>			<b>(19,524)</b>			<b>108,973</b>
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
<b>Special Revenue Fund:</b>															
IDEA Part B, Basic Regular	84.027	H027A220100	639,162	7/1/22	6/30/23	(426,612)		456,253	(516,895)	\$ (29,641)		(516,895)			516,895
IDEA Part B, Preschool	84.173	H173A220114	25,786	7/1/22	6/30/23	(23,128)		23,128	(25,402)			(25,402)			25,402
American Rescue Plan-IDEA Basic	84.027X	H027X220100	127,213	3/13/20	9/30/24	(86,112)		-	(41,101)			(127,213)			127,213
American Rescue Plan-IDEA Preschool	84.173X	H173X220100	10,777	3/13/20	9/30/24	-		-	(10,777)			(10,777)			10,777
Special Education Cluster						(535,852)		479,381	(594,175)	(29,641)		(680,287)			680,287
Title I	84.010	S010A220030	1,007,458	7/1/22	6/30/23	(1,124,401)		1,435,637	(879,404)	(2)		(568,170)			879,404
Title I SIA	84.010	S010A220030	153,300	7/1/22	6/30/23	(230,906)		345,375	(138,173)			(23,704)			138,173
Title I Cluster						(1,355,307)		1,781,012	(1,017,577)	(2)		(591,874)			1,017,577
Title II Part A	84.367	S367A220027	190,127	7/1/22	6/30/23	(106,733)		151,518	(124,024)			(79,239)			124,024
Title III	84.365	S365A220030	105,263	7/1/22	6/30/23	(42,878)		87,129	(88,486)	(160)		(44,395)			88,486
Title III Immigrant	84.365	S365A220030	10,590	7/1/22	6/30/23	-		-	(8,940)			(8,940)			8,940
Title IV	84.424A	S424A220027	87,222	7/1/22	6/30/23	(54,036)		97,001	(81,655)	(1)		(38,691)			81,655
Total Other ESEA						(203,647)		335,648	(303,105)	(161)		(171,265)			303,105
American Rescue Plan-ESSER III	84.425U	S425U220027	8,639,831	3/13/20	9/30/24	(436,894)		2,055,404	(2,243,242)			(624,732)			2,680,136
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	252,392	3/13/20	9/30/24	-		-	-			-			-
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	40,000	3/13/20	9/30/24	-		-	(1,725)			(1,725)			1,725
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	40,000	3/13/20	9/30/24	-		-	-			-			-
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	45,000	3/13/20	9/30/24	-		-	-			-			-
American Rescue Plan-Homeless	84.425U	S425U220027	71,900	3/13/20	9/30/24	-		1,470	(38,051)			(36,581)			38,051
CARES Emergency Relief Grant	84.425D	S425D220027	989,530	3/13/20	9/30/22	(464,545)		570,910	(106,365)			-			989,530
CRRSA ESSER II	84.425D	S425D220027	3,844,307	3/13/20	9/30/23	(2,056,670)		2,086,677	(1,787,637)			(1,757,630)			3,844,307
CRRSA Learning	84.425D	S425D220027	246,708	3/13/20	9/30/23	(43,348)		43,348	(49,863)			(49,863)			93,211
CRRSA Mental Health	84.425D	S425D220027	45,000	3/13/20	9/30/23	(35,833)		35,833	(9,167)			(9,167)			45,000
Total Education Stabilization Fund						(3,037,290)		4,793,642	(4,236,050)	-		(2,479,698)			7,691,960
<b>Total Special Revenue Fund</b>						<b>(5,132,096)</b>		<b>7,389,683</b>	<b>(6,150,907)</b>	<b>(29,804)</b>		<b>(3,923,124)</b>			<b>9,703,420</b>
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Child Nutrition Cluster:															
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	107,541	7/1/21	6/30/22	9,976			(9,976)						107,541
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	105,441	7/1/22	6/30/23			105,441	(91,353)			\$ 14,088			91,353
School Breakfast Program	10.553	221NJ304N1099	475,722	7/1/21	6/30/22	(33,995)		33,995							475,722
School Breakfast Program	10.553	231NJ304N1199	333,576	7/1/22	6/30/23			314,444	(333,576)			(19,132)			333,576
National School Lunch Program	10.555	221NJ304N1099	1,116,465	7/1/21	6/30/22	(72,703)		72,703							1,116,465
National School Lunch Program	10.555	231NJ304N1199	847,619	7/1/22	6/30/23			801,924	(847,619)			(45,695)			847,619
Supply Chain Assistance Funding	10.555	231NJ344N8903	22,693	7/1/22	6/30/23			22,693	(22,693)			-			22,693
Total Child Nutrition Cluster						(96,722)		1,351,200	(1,305,217)			(64,827)	14,088		2,994,969
After School Snacks Area Eligible	10.558	221NJ304N1099	43,280	7/1/21	6/30/22	(705)		705							43,280
After School Snacks Area Eligible	10.558	231NJ304N1199	31,437	7/1/22	6/30/23			30,931	(31,437)			(506)			31,437
Fresh Fruits and Vegetables	10.582	221NJ304L1603	50,922	7/1/21	6/30/22	(824)		824							50,922
Total After School Snacks and Other						(1,529)		32,460	(31,437)			(506)			125,639
<b>Total Enterprise Fund</b>						<b>(98,251)</b>		<b>1,383,660</b>	<b>(1,336,654)</b>			<b>(65,333)</b>	<b>14,088</b>		<b>3,120,608</b>
<b>Total Federal Financial Awards</b>						<b>\$ (5,243,575)</b>		<b>\$ 8,876,020</b>	<b>\$ (7,596,534)</b>	<b>\$ (29,804)</b>		<b>\$ (4,007,981)</b>	<b>\$ 14,088</b>		<b>\$ 12,933,001</b>

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



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY-OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 29,201,386			\$29,201,386	\$ (29,201,386)							*	\$ 2,839,507 \$ 29,201,386
Transportion Aid	23-495-034-5123-014	7/1/22-6/30/23	761,052			761,052	(761,052)							*	74,004 761,052
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	1,222,614			1,222,614	(1,222,614)							*	118,885 1,222,614
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	785,483			785,483	(785,483)							*	76,379 785,483
Extra-Ordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	334,744				(334,744)			\$ (334,744)				*	334,744
Extra-Ordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	312,838	\$ (312,838)		312,838	-							*	312,838
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	5,928				(5,928)			(5,928)				*	5,928
Non-Public Transportation Aid	22-100-034-5123-068	7/1/21-6/30/22	7,830	(7,830)		7,830								*	7,830
On-behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	5,619,856			5,619,856	(5,619,856)							*	5,619,856
On-behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	1,476,323			1,476,323	(1,476,323)							*	1,476,323
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	2,188			2,188	(2,188)							*	2,188
Reimb.TPAF Soc.Sec.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	1,192,555	(55,417)		1,131,088	(1,192,555)			(116,884)				*	1,192,555
<b>Total General Fund</b>				<b>(376,085)</b>		<b>40,520,658</b>	<b>(40,602,129)</b>			<b>(457,556)</b>				*	<b>3,108,775 40,922,797</b>
<b>Special Revenue Fund:</b>															
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)							*	6,660
Preschool Education Aid	23-495-034-5123-086	7/1/22-6/30/23	2,449,383	304,433		2,449,383	(1,840,175)			\$ 913,641				*	244,938 1,840,175
<b>Total Special Revenue Fund</b>				<b>304,433</b>		<b>2,456,043</b>	<b>(1,846,835)</b>			<b>913,641</b>				*	<b>244,938 1,846,835</b>
<b>Capital Projects Fund:</b>															
Penns Grove High School HVAC	4070-050-14-1001	Project Complete	1,803,764	(360,753)		360,753								*	-
Penns Grove High School Renovation	4070-050-14-1002	Project Complete	2,826,393	(2,826,393)						(2,826,393)				*	-
Paul W. Carlton ES Renovation	4070-050-14-1003	Project Complete	346,651	(346,561)						(346,561)				*	-
Paul W. Carlton HVAC	4070-050-14-1004	Project Complete	706,345	(141,269)						(141,269)				*	-
Field Street ES HVAC	4070-050-14-1005	Project Complete	990,533	(111,285)		198,106		\$ (86,821)						*	-
Field Street ES Renovation	4070-050-14-1006	Project Complete	397,525	(397,525)						(397,525)				*	-
Penns Grove MS Renovation	4070-050-14-1008	Project Complete	3,999,008	(3,513,251)						(3,513,251)				*	-
Penns Grove MS Roof Replacement	4070-050-14-1009	Project Complete	9,884	(9,884)						(9,884)				*	-
Penns Grove MS HVAC	4070-050-14-1010	Project Complete	44,240	(44,240)						(44,240)				*	-
Penns Grove MS HVAC - Admin Office	4070-050-14-1011	Project Complete	771	(771)						(771)				*	-
<b>Total Capital Projects Fund</b>				<b>(7,751,932)</b>		<b>558,859</b>		<b>(86,821)</b>		<b>(7,279,894)</b>				*	<b>-</b>
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/21-6/30/23	42,922			40,620	(42,922)			(2,302)				*	42,922
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22	26,257	(1,673)		1,673								*	26,257
<b>Total Enterprise Fund</b>				<b>(1,673)</b>		<b>42,293</b>	<b>(42,922)</b>			<b>(2,302)</b>				*	<b>69,179</b>
<b>Total State Financial Assistance</b>				<b>\$ (7,825,257)</b>		<b>\$43,577,853</b>	<b>\$ (42,491,886)</b>	<b>\$ (86,821)</b>		<b>\$ (7,739,752)</b>	<b>\$ 913,641</b>			*	<b>\$ 3,353,713 \$ 42,838,811</b>
<b>Less On-behalf TPAF Pension Amounts:</b>															
On-behalf TPAF Pension	23-495-034-5094-002					5,619,856									
On-behalf TPAF Pension PMR	23-495-034-5094-001					1,476,323									
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004					2,188									
<b>Total State Expenditures Subject to Major Program Determination</b>						<b>\$ (35,393,519)</b>									

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

## NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2023

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance includes federal and state award activity of the Penns Grove-Carneys Point Regional School District Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$303,229) for the general fund and \$993,036 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

## NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2023

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 108,973	\$ 40,298,900	\$ 40,407,873
Special Revenue Fund	7,224,100	1,766,678	8,990,778
Capital Projects Fund	-	86,821	86,821
Food Service Fund	<u>1,336,654</u>	<u>42,922</u>	<u>1,379,576</u>
Total Financial Assistance	<u>\$ 8,669,727</u>	<u>\$ 42,195,321</u>	<u>\$ 50,865,048</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes x None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes x No

**Federal Awards**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes x None

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? x Yes \_\_\_ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Child Nutrition Cluster:</u>		
10.555	231NJ304N1199	National School Lunch
10.553	231NJ304N1199	School Breakfast Program
10.555	231NJ344N8903	Supply Chain Assistance
<u>Title I Cluster:</u>		
10.010	S010A220030	Title I
<u>Education Stabilization Fund:</u>		
84.425D	S425D210027	CARES Emergency Relief Grant
84.425D	S425D210027	Coronavirus Response and Relief - CRRSA
84.425U	S425U210027	American Rescue Plan - ESSER

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

Auditee qualified as low-risk auditee? \_\_\_ Yes x No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**State Financial Assistance Section**

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,061,806

Auditee qualified as low-risk auditee?   yes xno

Internal Control over major programs:

1) Material weakness(es) identified?   yes xno

2) Were significant deficiencies identified that were not considered to be material weaknesses?   yes xnone

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?   yes xno

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

23-495-034-5122-078

Equalization Aid (State Aid Cluster)

23-495-034-5122-089

Special Education Aid (State Aid Cluster)

23-495-034-5122-084

Security Aid (State Aid Cluster)

23-495-034-5094-003

Reimbursed TPAF Soc. Security Contrib.

23-495-034-5123-044

Extraordinary Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**Section II-Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

**Financial Statement****Finding 2023-001****Criteria or Specific Requirement:**

The District should evaluate collectability of all accounts receivable.

**Condition:**

The District has grant accounts receivable with the State of New Jersey within the Capital Projects Fund of over \$7 million that has been outstanding for over 5 years.

**Context:**

The aged accounts receivable of \$7,279,894 comprises 23.1% of governmental fund assets.

**Effect:**

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

**Cause:**

High amount of turnover in the business office in past years.

**Recommendation:**

The District should take all appropriate action to collect the outstanding state grants accounts receivable on a timely basis.

**Views of management and planned corrective actions:**

The responsible officials agree with the finding and will address the matter as part of their corrective action. Management also states that collection progress is being made as contacts with the NJ SDA have been established and collections of \$558,858 have been made in fiscal year 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

**State Awards**                      N/A

**Federal Awards**

**Finding 2023-002**

**Criteria or Specific Requirement:**

United States Department of Agriculture (USDA) requires that net cash resources for the Child Nutrition Program not exceed three months average expenditures in the food service fund.

**Condition:**

Net cash resources exceeded three months average expenditures.

**Questioned Costs:**

N/A

**Context:**

Net cash resources of \$1,254,526 exceeded three months average expenditures of \$423,346 by \$831,180.

**Effect:**

Excess profits retained in the food service fund.

**Cause:**

Low levels of capital investment over the past four years, increased subsidy rates at the "free" rate of reimbursement for all meals for all children under the age of 18 during COVID-19, additional COVID-19 assistance funds, and supply chain restraints for capital investment.

**Recommendation:**

The District should reduce net cash resources by purchasing needed equipment, improve food quality, or take other actions to eliminate the excess cash resources in the food service fund.

**Views of management and planned corrective actions:**

The District plans to reduce net cash resources by investing in capital equipment where necessary and allocating direct cost overhead expenditures.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**STATUS OF PRIOR YEAR FINDINGS**

In accordance with *government auditing standards*, our procedures included a review of all prior year recommendations. All prior year findings were corrected except ACFR finding 2022-002, which is repeated in the current year as finding 2023-001.