

**PENNSVILLE TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2023

Prepared by
Pennsville Township Board of Education
Finance Department

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OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
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INTRODUCTORY SECTION



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

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Heather Mayhew, Board Secretary/
Business Administrator
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December 1, 2023

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

Dear Board Members:

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

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

1. REPORTING ENTITY AND ITS SERVICES:

Pennsville Township School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Pennsville Township Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 1,786 students, which is an increase from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u> <u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2022-23	1,786	1.01%
2021-22	1,778	1.73%
2020-21	1,748	(2.67%)
2019-20	1,796	5.83%
2018-19	1,697	(3.91%)

2. MAJOR INITIATIVES:

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

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

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

We have worked hard over the past few months to build on best practices in interventions, I&RS, and RTI. We have worked to integrate a K-12 RTI digitized platform to support vertical articulation for our staff and students. During the pandemic we noticed students struggling in different areas and wanted to support our students on a different level. We continue to have three interventionists at each elementary school and an ELA and Math interventionist at our Middle School level. Differentiation and knowledge of students' needs are crucial.

2. MAJOR INITIATIVES (CONT'D):

We continued our summer academic program this year with the invitation to all struggling students in grades K-5 and support for our MS and HS failing students. We added additional weeks and additional days to help support our students. We are looking to continue to incorporate after-school STEAM, Project Based Learning (PBL), and Learning Acceleration programs to support our higher accelerated students to our elementary through high school students.

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

STEAM and Project Based Learning continues to be a focus at both our Middle School and High School. New courses have been implemented over the past five years. The new curriculum was written this summer with updated standards. Students will have the opportunity to utilize 21st-century skills to engage during each project and class period. Science and Social Studies electives have been introduced at the Middle School level to align with courses being taught at the high school level.

Social and Emotional Learning is one of our focuses this year with our staff, students, families, and community members. Our counselors will be working closely with all stakeholders, including administrations, to support all. Our staff has been trained on Suite 360, our SEL program, to help support all stakeholders throughout the school year. Our Middle School has also implemented a year-long program to help students through the challenges of less screen time for their population.

3. INTERNAL ACCOUNTING CONTROLS:

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

3. INTERNAL ACCOUNTING CONTROLS (CONT'D):

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

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. MANAGEMENT'S DISCUSSION AND ANALYSIS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Dr. Michael Brodzik

Dr. Michael Brodzik
Superintendent of Schools

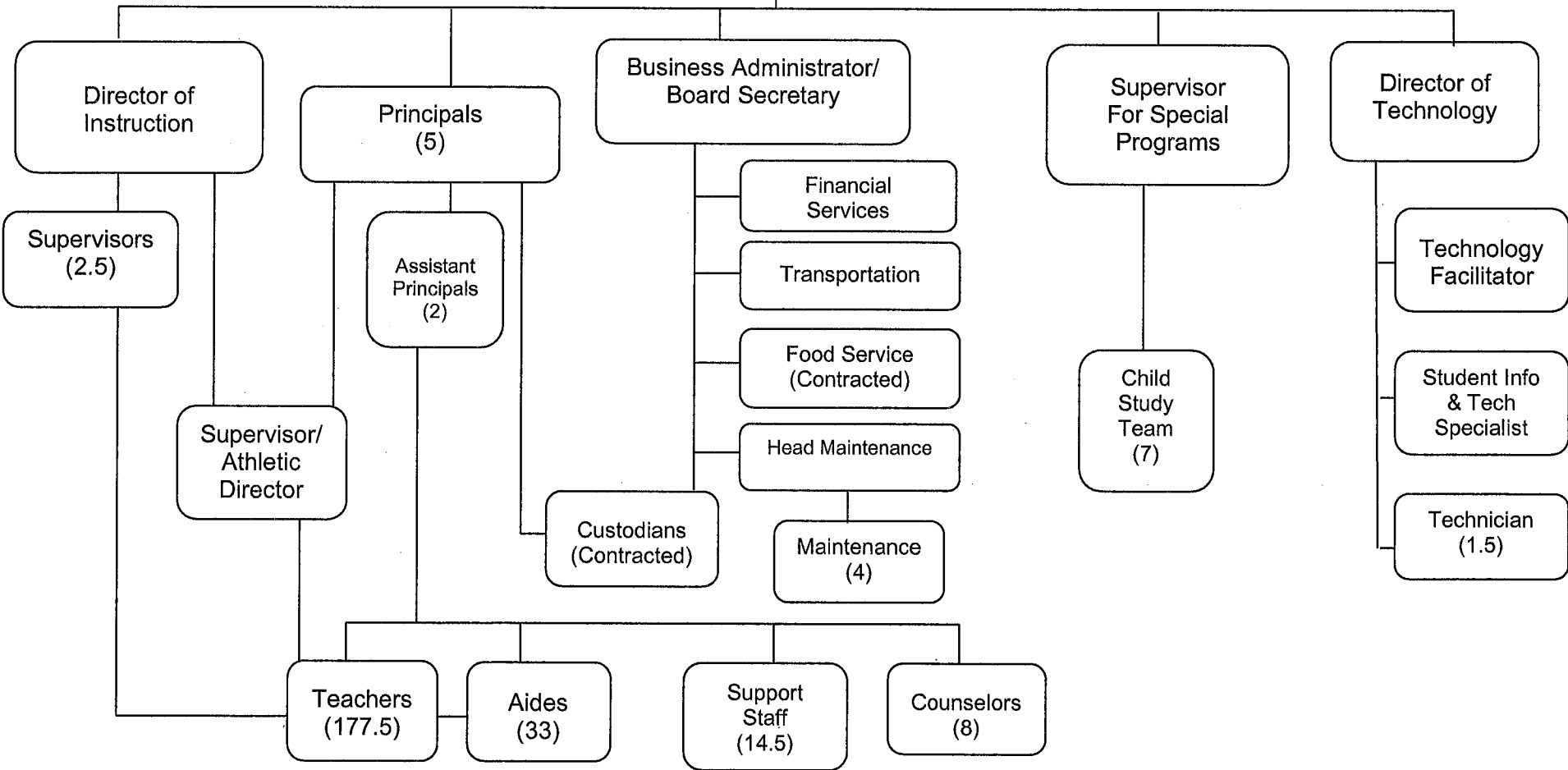
Heather Mayhew

Heather Mayhew
Board Secretary/
Business Administrator

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

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



PENNSVILLE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Keith Chambers	President	2023
Diana Staffieri-Morris	Vice President	2024
Sharon Cook		2024
Thomas Mason		2025
Jeffery Thomas		2024
Stephanie Taylor		2023
Thomas W. Hassler, III		2025
Kathy Gralley-Smalley		2023
Robert Townsend		2025

Other Officials

Michael Brodzik, Ed. D., Superintendent of Schools

Heather Mayhew, Business Administrator/Board Secretary

Mark Toscano, Solicitor

PENNSVILLE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ENGINEER

Remington & Vernick
232 Kings Highway
Haddonfield, New Jersey 08033

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

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170 South Broadway
PO Box 345
Pennsville, NJ 08070

INSURANCE AGENT

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Risk Management Services, Inc.
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Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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Williamstown, NJ 08094

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey, 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. 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 Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey'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 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, 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 Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey'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 and budgetary comparison information 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 Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements 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, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.


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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the Pennsville Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pennsville Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Pennsville Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

December 1, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2023**

(UNAUDITED)

This section of the Pennsville Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2022-2023 fiscal year include the following:

- Net position for governmental and business-type activities were \$17,374,793 and \$426,890, respectively.
- Net position for governmental activities increased by \$4,490,960 from operations and net position for business-type activities decreased by \$81,453 from July 1, 2022 to June 30, 2023.
- The general fund balance as of June 30, 2023 was \$11,252,715, an increase of \$3,695,635 when compared with the prior year.

Overview of the Financial Statements

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

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

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

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

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

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's net position for the fiscal years ended June 30, 2023 and 2022 is reflected in Table 2.

Table 1
Net Position

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and Other Assets	\$ 12,412,702	\$ 192,923	\$ 12,605,625	\$ 8,497,195	\$ 414,175	\$ 8,911,370
Capital Assets, net	39,366,421	255,179	39,621,600	40,503,886	106,419	40,610,305
Total Assets	51,779,123	448,102	52,227,225	49,001,081	520,594	49,521,675
Deferred Outflows of Resources	1,148,802		1,148,802	975,238		975,238
Liabilities:						
Current and Other Liabilities	1,090,122	21,212	1,111,334	513,794	12,251	526,045
Long Term Liabilities:						
Due Within One Year	1,750,000		1,750,000	1,644,777		1,644,777
Due in more than One Year	31,854,367		31,854,367	32,278,115		32,278,115
Total Liabilities	34,694,489	21,212	34,715,701	34,436,686	12,251	34,448,937
Deferred Inflows of Resources	858,643		858,643	2,655,800		2,655,800
Net Position						
Net Investment in Capital Assets	12,661,421	255,179	12,916,600	12,198,886	106,419	12,305,305
Restricted for:						
Capital Projects	2,664,966		2,664,966	2,470,365		2,470,365
Permanent Endowment:						
Nonexpendable	8,548,820		8,548,820	88,726		88,726
Other Purposes			-	5,704,935		5,704,935
Unrestricted (Deficit)	(6,500,414)	171,711	(6,328,703)	(7,579,079)	401,924	(7,177,155)
Total Net Position (Deficit)	\$ 17,374,793	\$ 426,890	\$ 17,801,683	\$ 12,883,833	\$ 508,343	\$ 13,392,176

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

- Program revenues were \$8,178,540 (operating grants and contributions were \$7,039,702 and charges for services were \$1,138,838).
- General revenues, special items, extraordinary items, and transfers amounted to \$42,356,020.
- Expenditures, net of charges for services and grant revenue were \$37,946,513.
- Total District revenues, when added to the beginning net position along with adjustments, result in a calculation of net position of \$17,801,683 as of June 30, 2023.
- Total revenues of \$50,534,560 plus beginning net position of \$13,392,176 less total expenditures \$46,125,053 equals the ending net position of \$17,801,683.

Change in Net Position

Net position for governmental type activities increased and business-type activities increased from June 30, 2022 to June 30, 2023 as reflected in Table 3.

Table 2
Changes in Net Position

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Charges for Services	\$ 777,999	\$ 360,839	\$ 1,138,838	\$ 691,799	\$ 39,520	\$ 731,319
Operating Grants and Contributions	6,362,365	677,337	7,039,702	6,195,396	1,264,285	7,459,681
General Revenues:						
Property Taxes	24,355,198		24,355,198	23,883,233		23,883,233
Grants and Entitlements	17,400,811		17,400,811	18,191,475		18,191,475
Other	600,011		600,011	395,159		395,159
Special Items						-
Total Revenues	\$ 49,496,384	\$ 1,038,176	\$ 50,534,560	\$ 49,357,062	\$ 1,303,805	\$ 50,660,867
Program Expenses						
Instruction	\$ 15,576,196	\$	\$ 15,576,196	\$ 15,035,058	\$	\$ 15,035,058
Tuition	2,037,499		2,037,499	1,769,250		1,769,250
Student and Instruction Related Serv	4,540,008		4,540,008	4,924,358		4,924,358
General Administration	661,054		661,054	604,811		604,811
School Administrative Serv	1,395,675		1,395,675	1,229,606		1,229,606
Central Services	399,953		399,953	392,720		392,720
Admin Information Tech	223,140		223,140	224,425		224,425
Plant Operations and Maint	3,595,535		3,595,535	3,058,567		3,058,567
Pupil Transportation	1,808,256		1,808,256	1,427,139		1,427,139
Unallocated Benefits	11,432,523		11,432,523	13,541,310		13,541,310
Debt Service	1,166,355		1,166,355	736,355		736,355
Unallocated Depreciation	2,169,230		2,169,230	1,749,938		1,749,938
Enterprise Operation		1,119,629	1,119,629		1,086,050	1,086,050
Total Expenses	45,005,424	1,119,629	46,125,053	44,693,537	1,086,050	45,779,587
Increase/(Decrease) in Net Position	\$ 4,490,960	\$ (81,453)	\$ 4,409,507	\$ 4,663,525	\$ 217,755	\$ 4,881,280

Total revenues for the District were \$50,534,560. Government funding was the source of 34.4% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of provided 48.2% of revenues, while charges for services was 2.3%, and miscellaneous revenue was 1.2% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, and transportation fees.

The District's expenses for governmental activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$17,613,695 or 38.2% of total expenditures. Student support services totaled \$4,540,008 or 9.8% of total expenditures. Other administrative services totaled \$2,679,822 or 5.8% of total expenditures. Plant operations and maintenance and transportation expenses were \$5,403,791 or 11.7% of total expenditures. Employee benefit costs of \$11,423,523 amounted to 24.8% of total expenditures. Interest on debt, depreciation and food service expenses totaled \$4,455,214 9.7%. Total revenues and special items were more than expenditures for governmental activities, increasing net position by \$4,490,960 from the beginning balance at July 1, 2022.

Activity Descriptions

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$11,372,133 as compared to \$7,668,299 at June 30, 2022.

All governmental funds had total revenues of \$51,386,075 and total expenditures of \$47,611,594.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

Table 3				
	Year Ended June 30,		Increase/ (Decrease)	Increase/ (Decrease)
	2023	2022		
Local Sources				
Local Tax Levy	\$ 24,355,198	\$ 23,883,233	\$ 471,965	1.98%
Tuition Charges	220,969	300,311	(79,342)	-26.42%
Transportation	33,623	35,595	(1,972)	-5.54%
Interest Earned	279,870	786	279,084	35506.87%
Miscellaneous	313,512	303,831	9,681	3.19%
Government Sources				
State	24,585,128	22,476,328	2,108,800	9.38%
Federal	1,597,775	1,618,513	(20,738)	-1.28%
Total	\$ 51,386,075	\$ 48,618,597	\$ 2,767,478	5.69%

One of the primary sources of funding for the District is received from local property taxes and accounted for 47.4% of total revenues. State aid accounted for 47.8% of total revenues.

Total governmental fund revenues increased by \$2,767,478, or 5.7% from the previous year. The major components of this increase were the increase in the local tax levy and state aid.

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

Table 4
Comparison of Expenditures

	For the Year Ended June 30,		Increase/ (Decrease)	Percentage Increase/ (Decrease)
	2023	2022		
Instruction				
Regular	\$ 11,244,070	\$ 11,005,514	\$ 238,556	2.17%
Special Education	2,726,461	2,547,604	178,857	7.02%
Other Special Instruction	441,356	891,882	(450,526)	-50.51%
Other Instruction	587,451	590,058	(2,607)	-0.44%
Support Services:				
Tuition	2,037,499	1,769,250	268,249	15.16%
Student and Instruction Rel Serv	4,540,008	4,924,358	(384,350)	-7.81%
General Administration	661,054	604,811	56,243	9.30%
School Administration	1,395,675	1,229,606	166,069	13.51%
Central Services	399,953	392,720	7,233	1.84%
Administrative Information Tech	223,140	224,425	(1,285)	-0.57%
Plant Operations and Maint	3,590,522	3,058,567	531,955	17.39%
Pupil Transportation	1,808,256	1,427,139	381,117	26.70%
Employee Benefits	7,230,718	6,818,953	411,765	6.04%
TPAF and FICA Reimb	7,310,778	7,225,854	84,924	1.18%
Capital Outlay	1,036,778	1,897,439	(860,661)	-45.36%
Debt Service - Interest	777,875	814,750	(36,875)	-4.53%
Debt Service - Principal	1,600,000	1,525,000	75,000	4.92%
Total	\$ 47,611,594	\$ 46,947,930	\$ 663,664	1.41%

Total governmental fund expenditures increased by \$663,664 or 1.4% from the previous year.

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

During the course of fiscal year 2023, the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund had net position of \$426,930 as of June 30, 2023, which consisted of \$255,179 invested in fixed assets and \$171,711 unrestricted. This reflects an decrease of \$81,413 from June 30, 2022.

INTERNAL SERVICE FUNDS

The Internal Services Fund had net position of \$538,115 as of June 30, 2023. This reflects an increase of \$23,825 from June 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

At the end of 2023, the District had capital assets allocated to governmental activities with a book value of \$39,621,600. This consists of a broad range of capital assets, including land, site and site improvements, and machinery and equipment. Total depreciation expense for the year was \$2,169,230. Table 6 summarizes capital assets:

Table 5
Capital Assets (Net of Depreciation)
As of June 30, 2023 and 2022

	2023			2022		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land, Site and Site Improvements	\$ 1,085,391	\$	\$ 1,085,391	\$ 985,308	\$	\$ 985,308
Building and Improvements	37,468,204		37,468,204	38,787,440		38,787,440
Machinery and Equipment	812,826	255,179	1,068,005	731,138	106,419	837,557
Total	\$ 39,366,421	\$ 255,179	\$ 39,621,600	\$ 40,503,886	\$ 106,419	\$ 40,610,305

Long-Term Obligations

At June 30, 2023, the District's outstanding debt was \$33,604,367 and included \$26,705,000 in Serial Bonds, \$5,461,818 in compensated absences and \$1,437,549 in Net Pension Liability.

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

Table 7 summarizes long-term obligations.

Table 6
Long-Term Obligations
As of June 30, 2023 and 2022

	2023			2022		
	Governmental Governmental Activities	Business- Type Activities	Total	Governmental Governmental Activities	Business- Type Activities	Total
Serial Bonds	\$ 26,705,000		\$ 26,705,000	\$ 28,305,000		\$28,305,000
Net Pension Liability	5,461,818		5,461,818	4,213,587		4,213,587
Compensated Absences	1,437,549		1,437,549	1,404,305		1,404,305
Total	\$ 33,604,367		\$ 33,604,367	\$ 33,922,892		\$33,922,892

For The Future

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 11,789,145	\$ 143,631	\$ 11,932,776
Receivables, Net	623,557	13,158	636,715
Inventory		36,134	36,134
Depreciable Capital Assets, Net	39,366,421	255,179	39,621,600
Total Assets	51,779,123	448,102	52,227,225
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	1,148,802		1,148,802
	1,148,802		1,148,802
LIABILITIES:			
Accounts Payable	260,011		260,011
Accrued Interest Payable	587,668		587,668
Unearned Revenue	242,443	21,212	263,655
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,750,000		1,750,000
Due Beyond One Year	31,854,367		31,854,367
Total Liabilities	34,694,489	21,212	34,715,701
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	858,643		858,643
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	12,661,421	255,179	12,916,600
Restricted for:			
Permanent Endowment- Nonexpendable	88,726		88,726
Capital Reserve	8,077,607		8,077,607
Maintenance Reserve	2,664,966		2,664,966
Unemployment Compensation	151,862		151,862
Student Activities	202,226		202,226
Scholarships	28,399		28,399
Excess Surplus			
Unrestricted (Deficit)	(6,500,414)	171,711	(6,328,703)
Total Net Position	\$ 17,374,793	\$ 426,890	\$ 17,801,683

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 11,244,070		\$ 2,085,468	\$ (9,158,602)		\$ (9,158,602)
Special Education	2,726,461			(2,726,461)		(2,726,461)
Other Special Instruction	1,018,214	600,683		(417,531)		(417,531)
Other Instruction	587,451			(587,451)		(587,451)
Support Services:						
Tuition	2,037,499			(2,037,499)		(2,037,499)
Student & Instruction Related Services	4,540,008	177,316	634,187	(3,728,505)		(3,728,505)
General Administrative Services	661,054			(661,054)		(661,054)
School Administrative Services	1,395,675			(1,395,675)		(1,395,675)
Central Services	399,953			(399,953)		(399,953)
Administrative Information Technology	223,140			(223,140)		(223,140)
Plant Operations and Maintenance	3,595,535			(3,595,535)		(3,595,535)
Pupil Transportation	1,808,256			(1,808,256)		(1,808,256)
Employee Benefits	11,432,523		3,642,710	(7,789,813)		(7,789,813)
Interest on Long-Term Debt	1,166,355			(1,166,355)		(1,166,355)
Unallocated Depreciation	2,169,230			(2,169,230)		(2,169,230)
Total Governmental Activities	45,005,424	777,999	6,362,365	(37,865,060)		(37,865,060)
Business-Type Activities:						
Food Service	1,119,629	360,839	677,337		(81,453)	(81,453)
Total Business-Type Activities	1,119,629	360,839	677,337		(81,453)	(81,453)
Total Primary Government	\$ 46,125,053	\$ 1,138,838	\$ 7,039,702	(37,865,060)	(81,453)	(37,946,513)
General Revenues:						
Property Taxes, Levied for General Purposes, Net				24,355,198		24,355,198
Federal and State Aid				17,400,811		17,400,811
Tuition				220,969		220,969
Transportation fees from Individuals				33,623		33,623
Investment Earnings				276,782		276,782
Investment Earnings Restricted.				3,088		3,088
Miscellaneous Income				65,549		65,549
				42,356,020		42,356,020
Change in Net Position				4,490,960	(81,453)	4,409,507
Net Position — Beginning of Year				12,883,833	508,343	13,392,176
Net Position — End of Year				\$ 17,374,793	\$ 426,890	\$ 17,801,683

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 9,659,429	\$ 626,439	\$ 678,301	\$ 88,726	\$ 11,052,895
Interfund Accounts Receivable	1,311,682				1,311,682
Accounts Receivable:					
State	376,364				376,364
Federal		237,046			237,046
Other		10,147			10,147
Total Assets	\$ 11,347,475	\$ 873,632	\$ 678,301	\$ 88,726	\$ 12,988,134
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$	\$ 232,509	\$	\$	\$ 232,509
Payroll Deductions and Withholdings Payable	1,785				1,785
Flexible Spending Reserve	22,617				22,617
Due to Other Funds		438,346	678,301		1,116,647
Unearned Revenue	70,358	172,085			242,443
Total Liabilities	94,760	842,940	678,301		1,616,001
Fund Balances:					
Non-expendable:					
Permanent Fund Principal				88,726	88,726
Restricted:					
Capital Reserve	5,477,607				5,477,607
Capital Reserve - Designated for Subsequent Year's Expenditures	2,600,000				2,600,000
Maintenance Reserve	2,164,966				2,164,966
Maintenance Reserve - Designated for Subsequent Year's Expenditures	500,000				500,000
Unemployment Compensation	151,862				151,862
Student Activities		202,226			202,226
Scholarships		28,399			28,399
Excess Surplus					
Excess Surplus - Designated for Subsequent Year's Expenditures					
Assigned					
Year-End Encumbrances	725,369				725,369
Unassigned (Deficit) - General Fund	(367,089)				(367,089)
Unassigned (Deficit) - Special Revenue Fund		(199,933)			(199,933)
Total Fund Balances	11,252,715	30,692		88,726	11,372,133
Total Liabilities and Fund Balances	\$ 11,347,475	\$ 873,632	\$ 678,301	\$ 88,726	

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 \$52,427,186 and the accumulated depreciation is \$13,060,765 (See Note 5).	39,366,421
Deferred Outflow of Resources - Deferred Pension Contribution.	1,148,802
Deferred Inflows of Resources - Pension Actuarial Gains.	(858,643)
Long Term Net Pension Liability	5,461,818
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(587,668)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 6).	(39,066,185)
Internal Service fund added in since the academic activities with other LEAs are governmental in nature	538,115
Net Position of governmental activities	\$ 17,374,793

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 22,774,616	\$	\$	\$ 1,580,582	\$	\$ 24,355,198
Tuition Charges	220,969					220,969
Transportation Charges	33,623					33,623
Interest Earned - Unrestricted	276,782					276,782
Interest Earned - Restricted	3,088					3,088
Unrestricted Miscellaneous Revenues	80,637					80,637
Local Sources		232,875				232,875
Total Local Sources	23,389,715	232,875		1,580,582		25,203,172
State Sources	21,923,629	1,864,206		797,293		24,585,128
Federal Sources	103,238	1,494,537				1,597,775
Total Revenues	45,416,582	3,591,618		2,377,875		51,386,075
EXPENDITURES:						
Instruction						
Regular Instruction	9,158,602	2,085,468				11,244,070
Special Education Instruction	2,726,461					2,726,461
Other Special Instruction	441,356					441,356
Other Instruction	587,451					587,451
Support Services and Undistributed Costs:						
Tuition	2,037,499					2,037,499
Student and Instruction Related Services	3,728,505	811,503				4,540,008
General Administrative Services	661,054					661,054
School Administrative Services	1,395,675					1,395,675
Central Services	399,953					399,953
Administrative Information Technology	223,140					223,140
Plant Operations and Maintenance	3,590,522					3,590,522
Pupil Transportation	1,808,256					1,808,256
Employee Benefits	13,627,394	914,102				14,541,496
Capital Outlay	1,034,779	1,999				1,036,778
Debt Service - Interest				777,875		777,875
Debt Service - Principal				1,600,000		1,600,000
Total Expenditures	41,420,647	3,813,072		2,377,875		47,611,594
Excess (Deficiency) of Revenues over Expenditures	3,995,935	(221,454)				3,774,481
OTHER FINANCING SOURCES (USES):						
Transfer of Funds to Charter School	(70,647)					(70,647)
Transfer to Preschool Program	(229,653)	229,653				
Total Other Financing Sources and Uses	(300,300)	229,653				(70,647)
Net Changes in Fund Balances	3,695,635	8,199				3,703,834
Fund Balance, July 1	7,557,080	22,493			88,726	7,668,299
Fund Balance — End of Year	\$ 11,252,715	\$ 30,692	\$	\$	\$ 88,726	\$ 11,372,133

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
June 30, 2023

Total Net Change in Fund Balances - Governmental Funds		\$ 3,703,834
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	\$ (2,169,230)	
Capital Outlays	1,031,765	
		(1,137,465)
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.		
		722,490
In the Statement of Activities, proceeds from Long-term Debt are not considered an other financing source of funds but as an increase in long-term liabilities in the Statement of Net Position.		
Repayment of Bond Principal or Capital Lease Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		
Bond Principal		1,600,000
In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		(388,480)
Expenditures, net of charges, for services in the Statement of Activities that represent Internal Service Fund activity are not reported as expenditures in the Governmental Funds		
		23,825
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.		
		(33,244)
Change in Net Position of Governmental Activities		\$ 4,490,960

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

PROPRIETARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 210,528	\$ 669,353	\$ 879,881
Accounts Receivable	13,158		13,158
Inventories	36,134		36,134
Total Current Assets	<u>259,820</u>	<u>669,353</u>	<u>929,173</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	701,820	193,479	895,299
Less: Accumulated Depreciation	(446,641)	(193,479)	(640,120)
Total Noncurrent Assets	<u>255,179</u>		<u>255,179</u>
Total Assets	<u>514,999</u>	<u>669,353</u>	<u>1,184,352</u>
LIABILITIES :			
Current Liabilities:			
Accounts Payable		3,100	3,100
Interfund Payable	66,897	128,138	195,035
Unearned Revenue	21,212		21,212
Total Current Liabilities	<u>88,109</u>	<u>131,238</u>	<u>219,347</u>
NET POSITION:			
Net Investment in Capital Assets	255,179		255,179
Unrestricted (Deficit)	171,711	538,115	709,826
Total Net Position	<u>\$ 426,890</u>	<u>\$ 538,115</u>	<u>\$ 965,005</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-Type</u> <u>Activities-</u> <u>Food</u> <u>Service</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 328,047	\$	\$ 328,047
Daily Sales - Non-Reimbursable Programs	32,792		32,792
Program Fees		600,683	600,683
Total Operating Revenues	<u>360,839</u>	<u>600,683</u>	<u>961,522</u>
OPERATING EXPENSES:			
Salaries and Benefits	469,117	445,999	915,116
Supplies and Materials	45,990	15,997	61,987
Cost of Sales - Reimbursable Programs	386,989		386,989
Cost of Sales - Non Reimbursable Programs	52,364		52,364
Other Purchased Services		114,862	114,862
Depreciation	112,806		112,806
Management/Admin Fee	47,277		47,277
Miscellaneous	5,086		5,086
Total Operating Expenses	<u>1,119,629</u>	<u>576,858</u>	<u>1,696,487</u>
Operating Income (Loss)	<u>(758,790)</u>	<u>23,825</u>	<u>(734,965)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	17,122		17,122
State School Breakfast Program	1,740		1,740
Federal Sources:			
National School Breakfast Program	76,999		76,999
National School Lunch Program	395,188		395,188
Supply Chain Assistance Funding	57,052		57,052
Food Distribution Program	129,236		129,236
Total Non-Operating Revenues (Expenses)	<u>677,337</u>		<u>677,337</u>
Change in Net Position	<u>(81,453)</u>	<u>23,825</u>	<u>(57,628)</u>
Net Change in Position	<u>(81,453)</u>	<u>23,825</u>	<u>(57,628)</u>
Net Position — Beginning of Year	<u>508,343</u>	<u>514,290</u>	<u>1,022,633</u>
Net Position — Ending of Year	<u>\$ 426,890</u>	<u>\$ 538,115</u>	<u>\$ 965,005</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities-	Governmental Activities	Total Enterprise
	Food Service	Internal Service Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 399,847	\$ 600,683	\$ 1,000,530
Payments to Employees and Employee Benefits	(469,117)	(445,999)	(915,116)
Payments to Suppliers	(409,198)	(127,759)	(536,957)
Net Cash Provided by (used for) Operating Activities	(478,468)	26,925	(451,543)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	18,862		18,862
Federal Sources	529,238		529,238
Net Cash Provided by (used for) Non-Capital Financing Activities	548,100		548,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	(261,565)		(261,565)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(261,565)		(261,565)
Net Increase (Decrease) in Cash and Cash Equivalents	(191,933)	26,925	(165,008)
Balances — Beginning of Year	402,461	642,428	1,044,889
Balances — End of Year	\$ 210,528	\$ 669,353	\$ 879,881
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (758,790)	\$ 23,825	\$ (734,965)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Depreciation and Net Amortization	112,806		112,806
Food Distribution Program	129,236		129,236
(Increase) Decrease in Accounts Receivable	39,008		39,008
(Increase) Decrease in Inventories	(9,689)		(9,689)
Increase (Decrease) in Accounts Payable		3,100	3,100
Increase (Decrease) in Unearned Revenue	8,961		8,961
Total Adjustments	280,322	3,100	283,422
Net Cash Provided by (used for) Operating Activities	\$ (478,468)	\$ 26,925	\$ (451,543)

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$76,352 of food commodities from the U.S. Department of Agriculture

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity/Component Units:

The Pennsville Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2023 of 1,786 students.

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

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

B. Government-Wide and Fund Financial Statements:

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

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

Governmental Funds

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

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

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Proprietary Funds

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

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

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

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

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

Food service fund:
Machinery and equipment – 12-20 years

Internal Service Fund - The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities.

The District's internal service fund is comprised of Shared Service Agreements for Technology and Business Office Services.

Fiduciary Funds

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

E. Budgets/Budgetary Control

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

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

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

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

F. Encumbrances

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

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

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

G. Cash, Cash Equivalents, and Investments

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

H. Tuition Receivable

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

I. Tuition Receivable

Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories

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

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

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

Inventory consists of donated food, purchased food and supplies. As of June 30, 2023, Inventory in the Food Service Enterprise Fund consisted of the following:

Purchased Food	\$ 27,517
Supplies	<u>8,617</u>
Total	<u>\$ 36,134</u>

The value of federal donated commodities was \$21,212, as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and is included as a non-operating and Unearned Revenue in the financial statements.

K. Prepaid Expense

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Prepaid Expense (Continued)

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

L. Short-Term Interfund Receivables/Payables

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

M. Capital Assets

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

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

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 – 10
Computer equipment	5 – 10

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, there was no amount earned by employees but not disbursed.

O. Compensated Absences

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

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

P. Unearned Revenue

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

Q. Accrued Liabilities and Long-Term Obligations

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

R. Net Position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

T. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

U. Interfund Activity

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

V. Use of Estimates

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W. New Accounting Standards:

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

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

X. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits- Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the District's bank balance of \$12,960,463 was insured or collateralized as follows:

Insurance	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		12,710,463
Total	\$	12,960,463

As of June 30, 2023, cash and cash equivalents in the fund financial statements of the District consisted of the following:

Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 158,460
Enterprise funds, Statement of Net Position	B-4	210,528
Internal service funds, Statement of Net Position	B-4	669,353
Restricted cash		
Governmental funds, Balance Sheet	B-1	10,894,435
Total cash		\$ 11,932,776

NOTE 3 - CAPITAL RESERVE ACCOUNT

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

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

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2023.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - CAPITAL RESERVE ACCOUNT (Continued)

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	\$	3,000,000
Resolution		5,077,606
Interst Earnings - Budget		1
		<hr/>
Ending Balance June 30, 2023	\$	<u>8,077,607</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of the fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Fund</u>	
		<u>Fund</u>	<u>Fund</u>		
State	\$ 376,364	\$	\$	\$	\$ 376,364
Federal		237,046			237,046
Other		10,147		13,158	23,305
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 376,364	\$ 247,193	\$	\$ 13,158	\$ 636,715
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5- CAPITAL ASSETS

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

	Balance as of June 30, 2022	Additions	Disposals/ Adjustments	Balance as of June 30, 2023
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$	\$	\$	\$
Total Capital Assets, not being Depreciated				
Capital Assets, being Depreciated				
Site and Site Improvements	1,186,354	238,425		1,424,779
Buildings and Building Improvement	48,385,811	561,217		48,947,028
Machinery and Equipment	2,678,816	232,123	(855,560)	2,055,379
Total at Historical Cost	52,250,981	1,031,765	(855,560)	52,427,186
Less Accumulated Depreciation:				
Site and Site Improvement	(201,046)	(138,342)		(339,388)
Buildings and Building Improvements	(9,598,371)	(1,880,453)		(11,478,824)
Machinery and Equipment	(1,947,678)	(150,435)	855,560	(1,242,553)
Total Accumulated Depreciation	(11,747,095)	(2,169,230)	855,560	(13,060,765)
Total Capital Assets Being Depreciated, net	40,503,886	(1,137,465)	-	39,366,421
Governmental Activities Capital Assets, net	<u>\$ 40,503,886</u>	<u>\$ (1,137,465)</u>	<u>\$ -</u>	<u>\$ 39,366,421</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 440,254	\$ 261,566		\$ 701,820
Less Accumulated Depreciation	(333,835)	(112,806)		(446,641)
Business-Type Activities Capital Assets, net	<u>\$ 106,419</u>	<u>\$ 148,760</u>	<u>\$ -</u>	<u>\$ 255,179</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 2,169,230
Total Depreciation Expense	<u>\$ 2,169,230</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 – LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the long-term obligation account group:

	Beginning Balance 7/1/2022	Additions/ (Reductions)	Ending Balance 6/30/2023	Amounts Due Within One Year	Long-term Portion
Governmental Activities					
Serial Bonds	\$ 28,305,000	\$ (1,600,000)	\$ 26,705,000	\$ 1,680,000	\$ 25,025,000
Compensated Absences	1,404,305	33,244	1,437,549	70,000	1,367,549
Net Pension Liability	4,213,587	1,248,231	5,461,818		5,461,818
	<u>\$ 33,922,892</u>	<u>\$ (318,525)</u>	<u>\$ 33,604,367</u>	<u>\$ 1,750,000</u>	<u>\$ 31,854,367</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

A. Bonds Payable

As of June 30, 2023, the District had no authorized but not issued bonds.

B. Capital Leases and Temporary Notes

At June 30, 2023, the District had no capital lease or Temporary Note obligations.

C. Interest Expense

No interest expense was capitalized nor paid by the debt service fund during the fiscal year ending June 30, 2023.

D. Compensated Absences

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

NOTE 7. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. 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	\$ 2,470,365
Added by Resolution	369,182
Withdrawn	(174,831)
Added by Interest Earnings	<u>250</u>
Ending Balance June 30, 2023	<u>\$ 2,664,966</u>

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$369,182 in additional funds into their Maintenance Reserve Account by Board Resolution in June 2023.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$218,925. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$471,686 and \$432,440 respectively.

The total payroll for the year ended June 30, 2023 was \$19,487,903. Payroll covered by PERS was \$2,918,990 for fiscal year 2023.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$5,461,817. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.036192% which was an increase of 0.00062% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(167,129). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,421	\$ 34,764
Changes of assumptions	16,922	817,850
Net difference between projected and actual earnings on pension plan investments	226,060	
Changes in proportion	394,713	6,029
Contributions subsequent to the measurement date	471,686	
Total	\$ 1,148,802	\$ 858,643

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

<u>Year</u>		<u>PERS</u>
2023	\$	(181,515)
2024		(85,351)
2025		(48,077)
2026		132,036
2027		1,380
Thereafter		
Total	\$	(181,527)

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year	2023	2022
Collective deferred outflows of resources	\$ 1,148,802	\$ 975,238
Collective deferred inflows of resources	\$ 858,643	\$ 2,655,800
Collective Net Pension Liability	\$ 5,461,817	\$ 4,213,587
District's Proportion	0.036192%	0.035568%

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:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	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 Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>7,076,260</u>	\$ <u>5,461,817</u>	\$ <u>4,173,483</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less that the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$4,954,433 to the TPAF for pension contributions, \$1,301,518 for post-retirement benefits on behalf of the School, and \$1,909 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,052,918 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.

Components of Net Pension Liability - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$1,673,781 and revenue of \$1,673,781 for support provided by the State.

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:

	TPAF
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	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 Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 73,038,483	\$ 62,192,769	\$ 53,239,107
State's Share of the Net Pension Liability	<u>\$ 60,591,896,759</u>	<u>\$ 51,676,587,303</u>	<u>\$ 44,166,559,329</u>

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$12,110 and the District's employer contribution, recognized in pension expense, was \$6,605. There were no forfeitures during the fiscal year.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

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 prefund, 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>.

General Information about the OPEB Plan

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

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

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

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$82,341,398. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.16258%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability

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.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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%.

Discount rate

The discount rate used to measure the total OPEB liability was 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.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
State of New Jersey	
Balance as of June 30, 2021 Measurement Date	\$ <u>60,007,650,971</u>
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	<u>(9,361,188,004)</u>
Balance as of June 30, 2022 Measurement Date	\$ <u>50,646,462,967</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022		
At 1.00% Decrease 2.54%	At Discount Rate 3.54%	At 1.00% Increase 4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 41,862,397,291	50,646,462,966	62,184,866,635

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$2,162,443. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 14,701,206	\$ (25,139,781)
Changes of Assumptions	14,251,211	(28,024,514)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,437,840	(2,537,638)
Contributions Subsequent to the Measurement Date		
Total	\$ 30,390,257	\$ (55,701,933)

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Measurement Period Ending June 30,		OPEB
2023	\$	9,484,229
2024		9,484,229
2025		9,484,229
2026		10,013,552
2027		11,484,588
Thereafter		36,141,362
Total	\$	86,092,189

NOTE 10 - CONTINGENT LIABILITIES

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

NOTE 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.

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund types.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12- DEFERRED COMPENSATION

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

The Legend Group Financial Services
MetLife
Lincoln Investments
Equitable
Valic

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

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2022 for the joint insurance pool.

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 Balance</u>
2022-2023		\$ 8,634		\$ 151,862
2021-2022	51	32,317	1,815	143,228
2020-2021		63,454	32,181	112,675

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balances at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General	\$ 1,311,682	\$
Special Revenue		438,346
Capital Projects		678,301
Food Service		66,897
Internal Service		128,138
	<u>\$ 1,311,682</u>	<u>\$ 1,311,682</u>

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

NOTE 15 - FUND BALANCE APPROPRIATED

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

Nonspendable:

As of June 30, 2023, the balance in the permanent fund account is \$88,726.

Spendable:

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

Restricted Capital Reserve - As of June 30, 2023, the balance in the capital reserve account is \$8,077,607 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan, of which \$2,600,000 was appropriated in the 2023-24 budget.

Restricted Maintenance Reserve - As of June 30, 2023, the balance in the maintenance reserve account is \$2,664,966, which is restricted for future maintenance expenditures, of which \$500,000 was appropriated in the 2023-24 budget.

Restricted Unemployment Compensation - As of June 30, 2023, the balance in the unemployment compensation trust account is \$151,862, which is restricted for future unemployment expenditures.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - FUND BALANCE APPROPRIATED (Continued)

Spendable (Continued):

Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. There was no excess fund balance at June 30, 2023 to be assigned for utilization in the 2023-24.

Assigned Other Purposes – As of June 30, 2023, the District had \$725,369 in encumbrances outstanding for purchase orders and contracts signed by the District but not completed. In addition, the District had no funds designated to support the 2023-24 operating budget.

Unassigned - This is the remainder of the District's equity in the governmental fund types. The total GAAP basis balance is(\$367,089) as of June 30, 2023.

NOTE 16 - TAX ABATEMENT

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

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

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit fund balance in the General Fund of (\$367,089) and a deficit of (\$199,933) 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 year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 17. DEFICIT FUND BALANCES (Continued)

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of (\$882,065) is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement from grants of (\$199,933) is equal to the last two state aid payments.

NOTE 18 - SUBSEQUENT EVENTS

There were no other events noted, between the year-end and December 1, 2023, the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 22,774,616	\$	\$ 22,774,616	\$ 22,774,616	
Tuition from other LEA's	150,000		150,000	220,969	70,969
Transportation Fees from Individuals	35,000		35,000	33,623	(1,377)
Interest Earned				276,531	276,531
Interest Earned on Capital Reserve Funds	1		1	1	
Interest Earned on Maintenance Reserve Funds	250		250	250	
Interest Earned on Unemployment Compensation				3,088	3,088
Unrestricted Miscellaneous Revenues	145,657		145,657	80,637	(65,020)
Total - Local Sources	23,105,524		23,105,524	23,389,715	284,191
State Sources:					
Equalization Aid	12,772,456		12,772,456	12,772,456	
Categorical Special Education Aid	1,010,823		1,010,823	1,010,823	
School Choice Aid	165,335		165,335	165,335	
Categorical Security Aid	67,439		67,439	67,439	
Categorical Transportation Aid	528,133		528,133	528,133	
Extraordinary Aid				257,096	257,096
Non-public Transportation Aid				1,560	1,560
State Lead Water Test				5,908	5,908
Homeless Tuition				14,183	14,183
State Reimburse Secure Child Future Act					
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				4,954,433	4,954,433
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,301,518	1,301,518
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				1,909	1,909
Reimbursed TPAF Social Security (Non-Budgeted)				1,052,918	1,052,918
Total - State Sources	14,544,186		14,544,186	22,133,711	7,589,525
Federal Sources:					
Medical Reimbursement	69,151	6,827	75,978	103,238	27,260
Total - Federal Sources	69,151	6,827	75,978	103,238	27,260
Total Revenues	\$ 37,718,861	\$ 6,827	\$ 37,725,688	\$ 45,626,664	\$ 7,900,976
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool	\$ 18,150	\$ (18,150)	\$	\$	
Kindergarten	401,136		401,136	392,551	8,585
Grades 1-5	2,768,955	(10,000)	2,758,955	2,694,924	64,031
Grades 6-8	1,983,559	208	1,983,767	1,983,767	
Grades 9-12	2,627,779	(131,356)	2,496,423	2,465,679	30,744
Home Instruction:					
Salaries of Teachers	5,000	9,646	14,646	14,646	
Purchased Professional / Educational Services	46,000	(9,646)	36,354	33,285	3,069
Regular Programs - Undistributed Instruction:					
Purchased Professional / Educational Services	82,953	(13,111)	69,842	69,842	
Purchased Technical Services	4,150	(950)	3,200	3,200	
Other Purchased Services	391,425	(8,667)	382,758	317,824	64,934
General Supplies	866,178	(11,124)	855,054	815,114	39,940
Textbooks	271,252	98,908	370,160	364,297	5,863
Other Objects	3,865	750	4,615	3,473	1,142
Total Regular Programs	9,470,402	(93,492)	9,376,910	9,158,602	218,308
Special Education:					
Cognitive-Moderate:					
Salaries of Teachers					
Total Cognitive-Moderate					
Learning and/pr Language Disabilities:					
Learning and/or Language Disabilities:					
Salaries of Teachers	440,018	(16,000)	424,018	415,397	8,621
Other Salaries for Instruction	141,652	16,000	157,652	120,392	37,260
General Supplies	13,000	500	13,500	9,875	3,625
Other Objects	1,000	(409)	591	591	
Total Learning and/or Language Disabilities	595,670	91	595,761	545,664	50,097

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES (Continued)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$	\$	\$	\$	\$
Total Behavioral Disabilities					
Multiple Disabilities:					
Salaries of Teachers	57,580		57,580	20,281	37,299
Other Salaries for Instruction	21,567	12,018	33,585	20,335	13,250
General Supplies	2,000		2,000	1,972	28
Total Multiple Disabilities	81,147	12,018	93,165	42,588	50,577
Resource Room - Instruction:					
Salaries of Teachers	1,514,969	(1,500)	1,513,469	1,497,728	15,741
Other Salaries for Instruction	537,682	26,816	564,498	520,973	43,525
General Supplies	15,000	1,598	16,598	13,068	3,530
Textbooks	7,000	(1,000)	6,000	1,809	4,191
Other Objects		409	409	409	
Total Resource Room - instruction	2,074,651	26,323	2,100,974	2,033,987	66,987
Preschool Disabilities - Full-Time:					
Salaries of Teachers	86,600	(99)	86,501	86,138	363
Other Salaries for Instruction		19,316	19,316	18,084	1,232
General Supplies	1,250	26	1,276		1,276
Total Preschool Disabilities - Full -Time	87,850	19,243	107,093	104,222	2,871
Cognitive Severe					
Salaries of Teachers					
Total Cognitive Severe					
TOTAL SPECIAL EDUCATION	2,839,318	57,675	2,896,993	2,726,461	170,532
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	350,299	(3,868)	346,431	266,597	79,834
General supplies	20,100	(1,217)	18,883	13,821	5,062
Total Basic Skills / Remedial - Instruction	370,399	(5,085)	365,314	280,418	84,896
Bilingual Education - Instruction					
Salaries of Teachers	121,020	35,717	156,737	156,737	
General Supplies	4,000	216	4,216	4,201	15
Other Objects	225		225		225
Total Bilingual Education - Instruction	125,245	35,933	161,178	160,938	240
School Sponsored Co-curricular Activities - Instruction					
Salaries	120,000		120,000	80,301	39,699
Purchased Services	4,000		4,000	866	3,134
Other Objects	54,500	1,958	56,458	42,882	13,576
Total School Sponsored Co-curricular Activities-Instruction	178,500	1,958	180,458	124,049	56,409
School Sponsored Athletics - Instruction					
Salaries	289,287		289,287	284,343	4,944
Purchased Services	89,180		89,180	80,207	8,973
Supplies and Materials	88,250	7,222	95,472	72,907	22,565
Other Objects	26,895	14,186	41,081	25,945	15,136
Total School Sponsored Athletics - Instruction	493,612	21,408	515,020	463,402	51,618
Total Instruction	13,477,476	18,397	13,495,873	12,913,870	582,003

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Continued)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 40,000		\$ 40,000	\$ 8,867	\$ 31,133
Tuition to Other LEAs Within the State - Special	50,000	(50,000)			
Tuition to County Voc. School Dist.-Regular	413,403		413,403	373,773	39,630
Tuition to CSSD & Regional Day Schools	1,908,099	(19,300)	1,888,799	1,423,040	465,759
Tuition to Private Schools for the Disabled - Within State	370,522	(10,000)	360,522	169,875	190,647
Tuition - State Facilities	61,944		61,944	61,944	
Total Undistributed Expenditures - Instruction	2,843,968	(79,300)	2,764,668	2,037,499	727,169
Attendance & Social Work services:					
Salaries	156,534		156,534	153,131	3,403
Total attendance and social work services:	156,534		156,534	153,131	3,403
Health Services					
Salaries	431,821		431,821	415,414	16,407
Purchased Professional and Technical Services	25,000		25,000	22,442	2,558
Supplies and Materials	10,301	116	10,417	6,922	3,495
Total Health Services	467,122	116	467,238	444,778	22,460
Speech, OT, PT & Related Services					
Salaries	289,965	25,667	315,632	308,000	7,632
Purchased Professional - Educational Services	135,000	(14,284)	120,716	93,128	27,588
Supplies and Materials	10,400	9,000	19,400	15,945	3,455
Other Objects	675	284	959	759	200
Total - Speech, OT, PT & Related Services	436,040	20,667	456,707	417,832	38,875
Other Supp Serv STD-Extra Serv					
Salaries	321,738	(76,229)	245,509	245,509	
Purchased Professional - Educational Services	50,000	18,311	68,311	66,110	2,201
Total Other Supp Serv STD-Extra Serv	371,738	(57,918)	313,820	311,619	2,201
Guidance					
Salaries of Other Professional Staff	591,939	18,663	610,602	607,964	2,638
Salaries of Secretarial and Clerical Assistants	61,079		61,079	59,539	1,540
Other Purchased Professional and Technical Services	2,800		2,800	2,685	115
Other Purchased Services	500		500		500
Supplies and Materials	28,450	5,258	33,708	33,698	10
Other Objects	1,260	172	1,432	1,432	
Total - Guidance	686,028	24,093	710,121	705,318	4,803
Child Study Teams					
Salaries of Other Professional Staff	562,161		562,161	562,159	2
Salaries of Secretarial and Clerical Assistants	74,159	(2,902)	71,257	67,394	3,863
Other Salaries	55,000	(4,400)	50,600	49,402	1,198
Other Purchased Professional and Technical Services	38,000	4,400	42,400	16,368	26,032
Other Purchased Services (400-500 Series)	12,800		12,800	6,472	6,328
Supplies and Materials	20,500	483	20,983	19,631	1,352
Other Objects	2,100		2,100	1,144	956
Total - Child Study Team	764,720	(2,419)	762,301	722,570	39,731
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	125,635		125,635	125,635	
Salaries of Other Professional Staff	284,773	2,583	287,356	286,716	640
Salaries of Secretarial and Clerical Assistants	68,669		68,669	68,669	
Other Purchased Professional and Technical Services	8,000	(177)	7,823	810	7,013
Other Purchased Services	130,754	(3,438)	127,316	124,885	2,431
Supplies and Materials	3,899	835	4,734	4,065	669
Other Objects	5,887	(55)	5,832	4,579	1,253
Total - Improvement of Instruction Services	627,617	(252)	627,365	615,359	12,006

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Continued)					
Educational Media Services/School Library					
Salaries	\$ 200,047		\$ 200,047	\$ 191,598	\$ 8,449
Purchased Professional and Technical Services					
Other Purchased Services	15,050		15,050	13,577	1,473
Supplies and Materials	31,575	863	32,438	27,832	4,606
Other Objects	440		440	219	221
Other Salaries		111,360	111,360	103,936	7,424
Total Educational Media Services/School Library	247,112	112,223	359,335	337,162	22,173
Instructional Staff Training Services					
Other Purchased Services	32,050		32,050	20,736	11,314
Total Instructional Staff Training Services	32,050		32,050	20,736	11,314
Support Services - General Administration:					
Salaries	263,596		263,596	258,966	4,630
Legal Services	45,000		45,000	20,713	24,287
Audit Fees	30,000		30,000	23,215	6,785
Architectural/Engineering Services	50,000		50,000	27,730	22,270
Other Purchased Professional Services	40,000		40,000	11,563	28,437
Communications/Telephone	211,000		211,000	188,282	22,718
BOE Other Purchased Services	5,000		5,000	4,930	70
Miscellaneous Purchased Services	126,000		126,000	99,664	26,336
General Supplies	14,690	513	15,203	5,976	9,227
BOE in-house training/meeting supplies	7,000		7,000	113	6,887
Miscellaneous Expenditures	7,600		7,600	5,888	1,712
BOE Membership Dues and Fees	18,500		18,500	14,014	4,486
Total - Support Services - General Administration	818,386	513	818,899	661,054	157,845
Support Service - School Administration:					
Salaries of Principals/Assistant Principals	937,081		937,081	899,503	37,578
Salaries of Secretarial and Clerical Assistants	519,108		519,108	471,006	48,102
Other Purchased Services	2,500		2,500	1,850	650
Supplies and Materials	24,325	(307)	24,018	13,509	10,509
Other Objects	9,500	307	9,807	9,807	
Total - Support Services - School Administration	1,492,514		1,492,514	1,395,675	96,839
Central Services:					
Salaries	387,176		387,176	373,308	13,868
Purchased Technical Services	34,000		34,000	15,137	18,863
Misc Purch Services	2,500		2,500	417	2,083
Supplies and Materials	10,000	1	10,001	10,001	
Other Objects	3,600		3,600	1,090	2,510
Total - Central Services	437,276	1	437,277	399,953	37,324
Administrative Information Technology					
Salaries	238,509		238,509	220,721	17,788
Other Purchased Services	500		500	500	
Supplies and Materials	2,000		2,000	1,919	81
Total - Administrative Information Technology	241,009		241,009	223,140	17,869
Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	921,500	102,305	1,023,805	401,416	622,389
General Supplies	89,500		89,500	32,316	57,184
Total - Required Maintenance for School Facilities	1,011,000	102,305	1,113,305	433,732	679,573

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Continued)					
Custodial Services:					
Salaries	\$ 421,800	\$	\$ 421,800	\$ 405,362	\$ 16,438
Salaries of Non-instructional Aides	259,588		259,588	199,581	60,007
Purchased Professional and Technical Services	1,405,403		1,405,403	1,395,235	10,168
Cleaning, Repair and Maintenance Services	184,100	183,236	367,336	240,366	126,970
Other Purchased Property Services	66,000		66,000	55,424	10,576
Insurance	126,000	(3,000)	123,000	113,860	9,140
Miscellaneous purchased services	7,800		7,800	7,800	-
General Supplies	115,000	2,100	117,100	100,639	16,461
Energy (Natural Gas)	300,000		300,000	263,602	36,398
Energy (Electricity)	400,000		400,000	351,074	48,926
Energy (Oil)	30,000		30,000	19,066	10,934
Total - Custodial Services	3,315,691	182,336	3,498,027	3,144,209	353,818
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	59,700		59,700	10,167	49,533
General Supplies	25,000		25,000	2,414	22,586
Total Care and Upkeep of Grounds	84,700		84,700	12,581	72,119
Total Maintenance and Repairs	4,411,391	284,641	4,696,032	3,590,522	1,105,510
Student Transportation Services					
Other Purchased Prof and Technical Serv	4,500	1,250	5,750	5,750	
Contracted Services - Aid in Lieu Payments - Non-Public	5,000	81	5,081	4,088	993
Contracted Services - (Between Home and School) - Vendors	843,000	(51,652)	791,348	774,836	16,512
Contracted Services - (Other than Bet. Home and School) - Vendors	132,000		132,000	88,305	43,695
Contracted Services - Aid in Lieu Payments Charter	8,000	(129)	7,871	4,088	3,783
Contracted Services - Aid in Lieu Payments Choice School	5,000	48	5,048	4,537	511
Contracted Services (Special Ed) - Joint Agreements	10,000	(10,000)			
Contracted Services (Regular Students) - ESC's	200,000	(2,193)	197,807	197,807	
Contracted Services (Special Education Students) - ESC's	665,000	63,845	728,845	728,845	
Total Student Transportation Services	1,872,500	1,250	1,873,750	1,808,256	65,494
Unallocated Benefits:					
Social Security Contributions	325,000	66,018	391,018	391,018	
Other Retirement Contributions - PERS	460,000	28,117	488,117	459,227	28,890
Unemployment Compensation	35,000	(30,000)	5,000	615	4,385
Workmen's Compensation	180,000	(5,000)	175,000	159,604	15,396
Health Benefits	5,577,049	(64,818)	5,512,231	5,122,697	389,534
Tuition Reimbursement	75,000	4,431	79,431	77,167	2,264
Other Employee Benefits	73,700		73,700	61,511	12,189
Unused Sick Payment to Terminated/Retired Staff	150,000		150,000	44,777	105,223
Total Unallocated Benefits	6,875,749	(1,252)	6,874,497	6,316,616	557,881
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				4,954,433	(4,954,433)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,301,518	(1,301,518)
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				1,909	(1,909)
Reimbursed TPAF Social Security (Non-Budgeted)				1,052,918	(1,052,918)
Total On-Behalf Contributions				7,310,778	(7,310,778)
Total Undistributed Expenditures	22,781,754	302,363	23,084,117	27,471,998	(4,387,881)
Interest Earned on Maintenance Reserve	250		250		250
Increase in Maintenance Reserve	369,182		369,182		369,182
Total Expenditures - Current Expense	36,628,662	320,760	36,949,422	40,385,868	(3,436,446)

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay					
Interest Deposit on Capital Reserve	\$ 1	\$	\$ 1	\$	\$ 1
Equipment:					
Grades 1-5	22,000	(20,287)	1,713		1,713
Grades 6-8	27,000		27,000	25,402	1,598
School-Sponsored and Other Instructional Program	300,000	25,351	325,351	206,721	118,630
Undistributed Expenditures:					
Undist. Expend. Required Maint for School	80,000	110,076	190,076	190,076	
Undist. Expend. - Custodial Services	100,000		100,000	11,289	88,711
Undist. Expend. - Security	25,000	12,060	37,060	37,060	
Total Equipment	<u>554,000</u>	<u>127,200</u>	<u>681,200</u>	<u>470,548</u>	<u>210,652</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	245,000	329,960	574,960	259,808	315,152
Construction Services	2,450,000	(260,507)	2,189,493	301,409	1,888,084
Other Objects - Debt Service Assessment	3,014		3,014	3,014	
Total Facilities Acquisition and Construction Services	<u>2,698,014</u>	<u>69,453</u>	<u>2,767,467</u>	<u>564,231</u>	<u>2,203,236</u>
Total Capital Outlay	<u>3,252,015</u>	<u>196,653</u>	<u>3,448,668</u>	<u>1,034,779</u>	<u>2,413,889</u>
Total Expenditures	<u>39,880,677</u>	<u>517,413</u>	<u>40,398,090</u>	<u>41,420,647</u>	<u>(1,022,557)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,161,816)</u>	<u>(510,586)</u>	<u>(2,672,402)</u>	<u>4,206,017</u>	<u>6,878,419</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers :					
Transfer to Preschool Program	(229,653)		(229,653)	(229,653)	
Transfer of Funds to Charter School	(91,490)		(91,490)	(70,647)	20,843
Total Other Financing Sources (Uses):	<u>(321,143)</u>		<u>(321,143)</u>	<u>(300,300)</u>	<u>20,843</u>
Net Change in Fund Balances	<u>(2,482,959)</u>	<u>(510,586)</u>	<u>(2,993,545)</u>	<u>3,905,717</u>	<u>6,899,262</u>
Fund Balances, July 1	8,659,439		8,659,439	8,659,439	
Fund Balances - End of Year	\$ <u>6,176,480</u>	\$ <u>(510,586)</u>	\$ <u>5,665,894</u>	\$ <u>12,565,156</u>	\$ <u>6,899,262</u>
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 5,477,607	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,600,000	
Maintenance Reserve				2,164,966	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				500,000	
Unemployment Compensation				151,862	
Excess Surplus					
Excess Surplus - Designated for Subsequent Year's Expenditures					
Assigned Fund Balance:					
Year-End Encumbrances				725,369	
Designated for Subsequent Year's Expenditures					
Unassigned				<u>945,352</u>	
				12,565,156	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,312,441)	
				<u>\$ 11,252,715</u>	

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:	\$ 2,229,960	\$	\$ 2,229,960	\$ 1,882,545	\$ (347,415)
Federal Sources:	1,393,951	284,561	1,678,512	1,493,226	(185,286)
Local Sources		30,343	30,343	232,875	202,532
Total Revenues	3,623,911	314,904	3,938,815	3,608,646	(330,169)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,079,754	9,670	1,089,424	1,089,424	
Salaries of Paraprofessional	331,413		331,413	331,413	
Tuition	499,121	3,704	502,825	502,825	
General Supplies	26,209	115,873	142,082	140,571	1,511
Othger Objects		21,044	21,044	19,924	1,120
Total Instruction	1,936,497	150,291	2,086,788	2,084,157	2,631
Support					
Salaries of Teachers	49,263	52,150	101,413	101,413	
Salaries of Principal/Asst	35,340	(35,340)			
Salaries of Other Professional	60,289	(13,245)	47,044	47,043	1
Salaries of Master Teacher	45,000	(14,710)	30,290	30,290	
Employee Benefits	917,267	(3,165)	914,102	914,102	
Purchased Professional - Tech. Services	11,301	(2,834)	8,467	8,467	
Purchased Property Services		43,579	43,579	43,579	
Cleaning, Repair, and Maintenance	75,002	1,783	76,785	76,785	
Transportation - Vendors	321,952	(7,175)	314,777	314,777	
Transportation - Field Trips	1,000	(1,000)			
Travel	500	(500)			
Supplies & Materials	500	11,333	11,833	11,833	
Scholarship		44,700	44,700	44,700	
Student Activities		132,616	132,616	132,616	
Total Support Services	1,517,414	208,192	1,725,606	1,725,605	1
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	70,000		70,000	1,999	68,001
Non-Instructional Equipment	100,000	(43,579)	56,421		56,421
Total Facilities Acquisition and Construction Services	170,000	(43,579)	126,421	1,999	124,422
Total Expenditures	3,623,911	314,904	3,938,815	3,811,761	127,054
Excess (Deficiency) of Revenues Over (Under)				(203,115)	(203,115)
Transfer from General Fund				229,653	
Fund Balance, July 1				204,087	
Fund Balance, June 30				<u>\$ 230,625</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 202,226	
Scholarships				28,399	
				<u>\$ 230,625</u>	

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:					
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 45,626,664	[E-1]	\$	3,608,646
Difference - Budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		Current Year			
		Prior Year			1,311
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,102,359			181,594
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		<u>(1,312,441)</u>			<u>(199,933)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 45,416,582</u>	[B-2]	\$	<u>3,591,618</u>
Uses/Outflows of Resources:					
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 41,420,647	[E-1]	\$	3,811,761
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.					1,311
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 41,420,647</u>	[B-2]	\$	<u>3,813,072</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
REVENUES:				
State Sources	\$	\$ 1,882,545		\$ 1,882,545
Federal Sources	1,493,226			1,493,226
Local Sources			\$ 232,875	232,875
Total Revenues	<u>1,493,226</u>	<u>1,882,545</u>	<u>232,875</u>	<u>3,608,646</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	471,693	617,731		1,089,424
Salaries of Paraprofessional	21,667	309,746		331,413
Tuition	502,825			502,825
General Supplies	109,814	21,660	9,097	140,571
Other Objects			19,924	19,924
Total Instruction	<u>1,105,999</u>	<u>949,137</u>	<u>29,021</u>	<u>2,084,157</u>
Support Services:				
Salaries of Principal/Asst	38,117	63,296		101,413
Salaries of Other Professional Staff		47,043		47,043
Salaries of Master Teacher		30,290		30,290
Employee Benefits	304,250	609,852		914,102
Professional Services	8,467			8,467
Purchased Property Services		43,579		43,579
Cleaning, Repair, and Maintenance		76,785		76,785
Transportation	24,948	289,829		314,777
Supplies and Materials	11,445	388		11,833
Scholarship			44,700	44,700
Student Activities			132,616	132,616
Total Support Services	<u>387,227</u>	<u>1,161,062</u>	<u>177,316</u>	<u>1,725,605</u>
Facilities Acquisition and Const. Serv.:				
Instructional Equipment		1,999		1,999
Total Facilities Acquisition and Construction Services		<u>1,999</u>		<u>1,999</u>
Total Expenditures	<u>\$ 1,493,226</u>	<u>\$ 2,112,198</u>	<u>\$ 206,337</u>	<u>\$ 3,811,761</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures				
Transfer from General Fund		229,653		229,653
Fund Balance, July 1			204,087	204,087
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$ 230,625</u>	<u>\$ 230,625</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	NCLB				IDEA		Equalization Stabilization Fund					SDA Emergent Aid	Climate Aware Educ	Preschool Aid	Total
	Title I	Title I SIA	Title II Part A	Title III Immigrant	Title IV	I.D.E.A - Part B Basic	I.D.E.A - Part B Preschool	CRRSA		Mental Health	ARP Beyond School				
							ESSER II	Learning							
REVENUES:															
State sources												\$ 43,579	\$ 6,660	\$ 1,832,306	\$ 1,882,545
Federal sources	\$ 364,925	\$ 10,000	\$ 57,601	\$ 2,781	\$ 26,057	\$ 502,825	\$ 23,325	\$ 435,934	\$ 40,752	\$ 20,400	\$ 8,626				1,493,226
Total Revenues	364,925	10,000	57,601	2,781	26,057	502,825	23,325	435,934	40,752	20,400	8,626	43,579	6,660	1,832,306	3,375,771
EXPENDITURES:															
Instruction:															
Salaries of Teachers	219,169	6,538		2,583	17,039			211,887	6,464		8,013			617,731	1,089,424
Salaries of Paraprofessional								21,667						309,746	331,413
Other Professional Services															
Tuition						502,825									502,825
General Supplies							76,020	33,794					6,660	15,000	131,474
Total Instruction	219,169	6,538		2,583	17,039	502,825	21,667	287,907	40,258		8,013		6,660	942,477	2,055,136
Support Services:															
Salaries of Principal/Asst			37,664							453				63,296	101,413
Salaries of Other Professional Staff														47,043	47,043
Salaries of Master Teacher														30,290	30,290
Employee Benefits	145,756	3,462	19,937	198	9,018		1,658	123,079	494	35	613			609,852	914,102
Professional Services										8,467					8,467
Purchased Property Services												43,579			43,579
Cleaning, Repair, and Maintenance														76,785	76,785
Transportation							24,948							289,829	314,777
Supplies & Materials										11,445				388	11,833
Total Support Services	145,756	3,462	57,601	198	9,018		1,658	148,027	494	20,400	613	43,579		1,117,483	1,548,289
Facilities Acquisition and Const. Serv.:															
Instructional Equipment															
Non Instructional Equipment														1,999	1,999
Total Facilities Acquisition and Construction Services														1,999	1,999
Total Expenditures	364,925	10,000	57,601	2,781	26,057	502,825	23,325	435,934	40,752	20,400	8,626	43,579	6,660	2,061,959	3,605,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ (229,653)	\$ (229,653)
Transfer from General Fund														229,653	229,653
Fund Balance, July 1															
Fund Balance, June 30														\$	\$

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ED</u> <u>Foundation</u>	<u>Student</u> <u>Scholarship</u>	<u>Student</u> <u>Activity</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 29,021	\$ 42,796	\$ 161,058	\$ 232,875
Total Revenues	<u>29,021</u>	<u>42,796</u>	<u>161,058</u>	<u>232,875</u>
EXPENDITURES:				
Instruction:				
General Supplies	9,097			9,097
Other Objects	19,924			19,924
Total Instruction	<u>29,021</u>			<u>29,021</u>
Support Services:				
Student Activities			132,616	132,616
Scholarships		44,700		44,700
Total Support Services		<u>44,700</u>	<u>132,616</u>	<u>177,316</u>
Total Expenditures	<u>\$ 29,021</u>	<u>\$ 44,700</u>	<u>\$ 132,616</u>	<u>\$ 206,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,904)	28,442	26,538
Fund Balance, July 1		30,303	173,784	204,087
Fund Balance, June 30	<u>\$</u>	<u>\$ 28,399</u>	<u>\$ 202,226</u>	<u>\$ 230,625</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 617,731	\$ 617,731	\$
Other Salaries for Instruction	309,746	309,746	
General Supplies	15,000	15,000	
Total Instruction	942,477	942,477	
Support:			
Salaries of Principal/Asst	63,296	63,296	
Salaries of Other Professional	47,043	47,043	
Salaries of Master Teacher	30,290	30,290	
Personal Services - Employee Benefits	609,852	609,852	
Cleaning, Repair, and Maintenance	76,785	76,785	
Transportation	289,829	289,829	
Supplies and Materials	388	388	
Total Support Services	1,117,483	1,117,483	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non Instructional Equipment	1,999	1,999	
Total Facilities Acquisition and Const. Services:	1,999	1,999	
Total Expenditures	\$ 2,061,959	\$ 2,061,959	\$

CALCULATION OF BUDGET & CARRYOVER

Total revised 2022-2023 Preschool Education Aid Allocation	\$ 1,999,332	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	976	(2)
Add: Budgeted Transfer from the General Fund 2022-2023	229,653	(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	2,229,961	(4)
Less: 2022-2023 Budgeted Preschool Education Aid (including prior year budget carryover)	(2,061,959)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	168,002	(6)
Add: June 30, 2023 Unexpended Preschool Education Aid		(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2023-2023 Carryover - Preschool Education Aid/Preschool Programs	\$ 168,002	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2023-2024	\$ 975	(10)

Note: Since the 2022-23 Actual Carryover is less than the amount budgeted in 2023-24, the District should consider revising its 2023-24 Preschool Education Program Budget in the amount of \$975.

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.036192%	0.035568%	0.034223%	0.033263%	0.032690%	0.032928%	0.031319%	0.030279%	0.030272%	0.030237%
District's Proportionate Share of the Net Pension Liability	\$ 5,461,817	\$ 4,213,587	\$ 5,580,871	\$ 5,993,450	\$ 6,436,401	\$ 7,665,219	\$ 9,275,839	\$ 6,796,945	\$ 5,667,678	\$ 5,778,952
District's Covered-Employee Payroll	\$ 2,918,990	\$ 2,840,335	\$ 2,557,408	\$ 2,554,514	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	\$ N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	187.11%	148.35%	218.22%	234.62%	266.58%	328.30%	410.13%	310.13%	269.03%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 471,686	\$ 432,440	\$ 389,968	\$ 340,153	\$ 341,872	\$ 323,951	\$ 294,813	\$ 275,290	\$ 249,555	\$ 227,832
Contributions in relation to the Contractually Required Contribution	(471,686)	(432,440)	(389,968)	(340,153)	(341,872)	(323,951)	(294,813)	(275,290)	(249,555)	(227,832)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 2,918,990	\$ 2,840,335	\$ 2,557,408	\$ 2,554,514	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	\$ N/A
Contributions as a Percentage of Covered-Employee Payroll	16.16%	15.22%	15.25%	13.32%	14.16%	13.87%	13.04%	12.56%	11.85%	N/A

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.120542%	0.123760%	0.121828%	0.119702%	0.117355%	0.119390%	0.125891%	0.123139%	0.129144%	0.126836%
District's Proportionate Share of the Net Pension Liability	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ 64,101,774
District's Covered-Employee Payroll	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	427.07%	424.09%	595.39%	539.90%	552.16%	614.01%	779.65%	643.79%	559.31%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service Cost	\$	\$ 4,765,429	\$ 2,557,179	\$ 2,469,095	\$ 2,758,354	\$ 3,344,541
Interest Cost		2,563,180	2,443,375	3,029,524	3,201,226	2,780,136
Changes of Benefit Terms		(105,169)				
Differences Between Expected and Actual Experiences		(18,121,483)	19,879,099	(13,116,197)	(5,986,201)	
Changes of Assumptions		97,481	20,378,535	1,016,675	(8,815,375)	(11,700,058)
Member Contributions		65,528	58,868	62,047	70,993	74,751
Gross Benefit Payments		(2,019,068)	(1,942,202)	(2,093,141)	(2,054,115)	(2,030,026)
Net Change in Total OPEB Liability	-	(12,754,102)	43,374,854	(8,631,997)	(10,825,118)	(7,530,656)
Total OPEB Liability - Beginning	98,807,849	111,561,951	68,187,097	76,819,094	87,644,212	95,174,868
Total OPEB Liability - Ending	\$ 98,807,849	\$ 98,807,849	\$ 111,561,951	\$ 68,187,097	\$ 76,819,094	\$ 87,644,212
Covered-Employee Payroll	\$ 17,481,683	\$ 16,869,968	\$ 16,031,344	\$ 16,161,216	\$ 15,935,591	\$ 15,444,918
Total OPEB Liability as a Percentage of Covered-Employee Payroll	565.21%	585.70%	749.74%	421.92%	482.06%	567.46%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

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

EXHIBIT G-1

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023

ASSETS:

Current Assets:

Cash	\$	210,528
Accounts Receivable:		
Federal		
State		
Other		13,158
Inventories		36,134

Total Current Assets 259,820

Fixed Assets:

Equipment	701,820
Accumulated Depreciation	(446,641)

Total Fixed Assets 255,179

Total Assets 514,999

LIABILITIES:

Current Liabilities:

Unearned Revenue	21,212
Interfund Payable	66,897

Total Current Liabilities 88,109

Total Liabilities 88,109

NET POSITION:

Net Position:

Net Investment in Capital Assets	255,179
Unrestricted	171,711

Total Net Position \$ 426,890

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OPERATING REVENUES:

Local Sources:

Daily Sales-Reimbursable Programs	\$ 328,047
Daily Sales Non-Reimbursable Programs	32,792

Total Operating Revenue	<u>360,839</u>
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OPERATING EXPENSES:

Salaries and Benefits	469,117
Supplies and Materials	45,990
Cost of Sales - Reimbursable Programs	386,989
Cost of Sales - Non Reimbursable Programs	52,364
Depreciation	112,806
Management/Admin Fee	47,277
Miscellaneous	5,086

Total Operating Expenses	<u>1,119,629</u>
--------------------------	------------------

Operating Loss	<u>(758,790)</u>
----------------	------------------

Non-Operating Revenues (Expenses):

State Sources:

State School Lunch Program	17,122
State School Breakfast Program	1,740

Federal Sources:

National School Breakfast Program	76,999
National School Lunch Program	395,188
Supply Chain Assistance Funding	57,052
Food Distribution Program	129,236

Total Non-Operating Revenues	<u>677,337</u>
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Net Income (Loss) Before Contributions and Transfers	(81,453)
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Other Financing Sources and Uses:

Change in Net Position	<u>(81,453)</u>
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Total Net Position-July 1	<u>508,343</u>
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Total Net Position-June 30	<u><u>\$ 426,890</u></u>
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 399,847
Payments to Employees and Employee Benefits	(469,117)
Payments to Suppliers	(409,198)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	(478,468)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
State Sources	18,862
Federal Sources	529,238
	<hr/>
Net Cash Provided by (Used For) Non-Capital Financing Activities	548,100
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(261,565)
	<hr/>
Net Cash Provided by (Used For) Capital and Related Financing Activities	(261,565)
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	(191,933)
Cash and Cash Equivalents, July 1	402,461
	<hr/>
Cash and Cash Equivalents, June 30	\$ 210,528
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (758,790)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	112,806
Food Distribution	129,236
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	39,008
(Increase)/Decrease in Inventory	(9,689)
Increase/(Decrease) in Unearned Revenue	8,961
	<hr/>
Net Cash Used by Operating Activities	\$ (478,468)
	<hr/> <hr/>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023

ASSETS

Current Assets:

Cash \$ 669,353

Total Current Assets 669,353

Fixed Assets

Equipment 193,479

Accumulated Depreciation (193,479)

Total Fixed Assets

Total Assets 669,353

LIABILITIES

Current Liabilities:

Accounts Payable 3,100

Due to General Fund 128,138

Total Current Liabilities 131,238

Total Liabilities 131,238

NET POSITION

Net Position:

Net Investment In Capital Assets
Unrestricted 538,115

Total Net Position \$ 538,115

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>SCC Interlocal</u>	<u>Pennsville Township Interlocal</u>	<u>Graphic Arts Academy</u>	<u>Creative Arts Academy</u>	<u>Upper Pittsgrove Interlocal</u>	<u>Quinton B.O.E.</u>	<u>Total</u>
OPERATING REVENUES:							
Program Fees	\$	\$ 21,102	\$ 256,723	\$ 301,371	\$ 21,487	\$	\$ 600,683
Total Operating Revenue		21,102	256,723	301,371	21,487		600,683
OPERATING EXPENSES:							
Salaries		5,000	164,225	155,000	15,146		339,371
Employee Benefits			45,308	55,000	6,320		106,628
Other Purchased Services			14,768	60,000			74,768
Tuition			23,723	16,371			40,094
Supplies and Materials			8,699	7,298			15,997
Total Operating Expenses		5,000	256,723	293,669	21,466		576,858
Operating Income (Loss)		16,102	-	7,702	21		23,825
Non-Operating Sources and Uses:							
Retained Earnings - July 1	65,881	40,896	192,582	138,219		76,712	514,290
Retained Earnings - June 30	\$ 65,881	\$ 56,998	\$ 192,582	\$ 145,921	\$ 21	\$ 76,712	\$ 538,115

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 600,683
Payments to Employees and Employee Benefits	(445,999)
Payments to Suppliers	(127,759)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	26,925
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
	<hr/>
Total Cash Flows from Non-Capital Financing Activities	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	26,925
Cash and Cash Equivalents, July 1	642,428
	<hr/>
Cash and Cash Equivalents, June 30	\$ 669,353
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ 23,825
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	
Change in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	3,100
	<hr/>
Net Cash Used by Operating Activities	\$ 26,925
	<hr/> <hr/>

LONG-TERM DEBT SCHEDULES

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 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>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2023</u>
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School and Pennsville Memorial High School; Equipment and Associate Site Work	2/17/16	\$ 20,900,000	9/1/23	\$ 950,000	2.25%	\$ 16,600,000	\$	\$ 900,000	\$ 15,700,000
			9/1/24	1,000,000	2.25%				
			9/1/25	1,050,000	2.50%				
			9/1/26	1,150,000	2.50%				
			9/1/27	1,200,000	2.50%				
			9/1/28	1,250,000	2.50%				
			9/1/29-35	1,300,000	2.50%				
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School; Pennsville Memorial High School for the Auditorium Masonry Work and Stadium and Bleachers	11/9/16	14,725,000	9/1/23	730,000	2.50%	11,705,000		700,000	11,005,000
			9/1/24	750,000	2.50%				
			9/1/25	775,000	2.50%				
			9/1/26	800,000	3.00%				
			9/1/27	825,000	3.00%				
			9/1/28	850,000	3.00%				
			9/1/29	875,000	3.00%				
			9/1/30-32	900,000	3.00%				
			9/1/33-34	900,000	3.125%				
			9/1/35	900,000	3.25%				
						<u>\$ 28,305,000</u>	<u>\$</u>	<u>\$ 1,600,000</u>	<u>\$ 26,705,000</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,580,582	\$	\$ 1,580,582	\$ 1,580,582	\$
State Sources:					
Debt Service Aid Type II	797,293		797,293	797,293	
Total Revenues	2,377,875		2,377,875	2,377,875	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	777,875		777,875	777,875	
Redemption of Principal	1,600,000		1,600,000	1,600,000	
Total expenditures	2,377,875		2,377,875	2,377,875	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources: Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 12,661,421	\$ 12,198,886	\$ 10,529,399	\$ 9,010,920	\$ 9,417,084	\$ 6,310,701	\$ (6,650,564)	\$ (12,697,942)	\$ 4,202,533	\$ 2,394,049
Restricted	11,213,786	8,264,026	4,977,739	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092
Unrestricted (Deficit)	(6,500,414)	(7,579,079)	(7,286,830)	(8,115,205)	(8,038,537)	(7,683,923)	(7,762,564)	(6,648,633)	(6,330,384)	(1,784,221)
Total Governmental Activities Net Position	\$ 17,374,793	\$ 12,883,833	\$ 8,220,308	\$ 2,196,305	\$ 2,389,281	\$ 1,755,245	\$ (14,481)	\$ 235,512	\$ (1,285,248)	\$ 2,696,920
Business-Type Activities										
Net Investment in Capital Assets	\$ 255,179	\$ 106,419	\$ 126,290	\$ 100,896	\$ 51,299	\$ 29,527	\$ 17,994	\$ 20,111	\$ 39,310	\$ 38,498
Restricted										
Unrestricted (Deficit)	171,711	401,924	164,298		(36,712)	(29,527)	(4,132)			12,601
Total Business-Type Activities Net Position	\$ 426,890	\$ 508,343	\$ 290,588	\$ 100,896	\$ 14,587	\$	\$ 13,862	\$ 20,111	\$ 39,310	\$ 51,099
District-wide Activities:										
Invested in Capital Assets,										
Net of Related Debt (Deficit)	\$ 12,916,600	\$ 12,305,305	\$ 10,655,689	\$ 9,111,816	\$ 9,468,383	\$ 6,340,228	\$ (6,632,570)	\$ (12,677,831)	\$ 4,241,743	\$ 2,432,547
Restricted	11,213,786	8,264,026	4,977,739	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092
Unrestricted (Deficit)	(6,328,703)	(7,177,155)	(7,122,532)	(8,115,205)	(8,075,249)	(7,713,450)	(7,766,696)	(6,648,633)	(6,330,384)	(1,771,620)
Total District-wide Activities	\$ 17,801,683	\$ 13,392,176	\$ 8,510,896	\$ 2,297,201	\$ 2,403,868	\$ 1,755,245	\$ (619)	\$ 255,623	\$ (1,245,938)	\$ 2,748,019

Source: ACFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,244,070	11,005,514	10,237,358	9,955,201	9,893,375	9,226,363	8,823,154	8,461,512	8,786,497	8,250,989
Special Education	2,726,461	2,547,604	2,671,318	2,615,177	2,472,257	2,409,443	2,505,567	2,706,249	2,601,154	2,666,345
Other Special Instruction	1,018,214	891,882	820,603	653,006	566,459	532,027	334,218	322,866	306,440	222,500
Other Instruction	587,451	590,058	428,625	1,135,551	1,086,792	1,291,863	1,205,322	1,163,229	1,034,293	1,050,172
Support Services										
Tuition	2,037,499	1,769,250	2,057,357	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457
Student and Instruction Related Services	4,540,008	4,924,358	4,744,368	4,953,225	4,231,591	3,618,092	3,554,227	3,295,108	3,024,580	3,183,312
General and Business Administration	661,054	604,811	622,275	624,736	649,281	604,557	603,386	669,175	649,670	627,813
School Administrative Services	1,395,675	1,229,606	1,242,631	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901
Central Services	399,953	392,720	381,058	417,557	437,095	404,197	410,757	419,505	389,746	374,769
Administrative Information Technology	223,140	224,425	213,464	256,755	195,707	131,935	201,139	244,064	218,615	249,148
Plant Operations and Maintenance	3,595,535	3,058,567	2,351,926	2,961,606	2,674,750	2,724,632	2,675,206	2,802,953	2,277,076	3,112,268
Pupil Transportation	1,808,256	1,427,139	1,191,725	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096
Other Support Services	11,432,523	13,541,310	17,288,558	12,964,787	14,659,703	17,115,766	15,956,422	12,221,353	6,753,509	7,292,506
Special Schools										
Interest on Long-Term Debt	1,166,355	736,355	842,385	868,511	904,265	934,326	801,841	217,154	10,307	513
Unallocated Depreciation	2,169,230	1,749,938	812,134	349,385	357,376	112,292	99,361	80,275	354,211	308,453
Total Governmental Activities Expenses	45,005,424	44,693,537	45,905,785	42,702,812	43,534,649	44,407,425	41,794,105	36,477,104	30,160,820	31,720,252
Business-Type Activities										
Food Service										
	1,119,629	1,086,050	817,121	692,360	695,221	661,287	651,121	675,221	664,682	637,617
Total Business-Type Activities Expense	1,119,629	1,086,050	817,121	692,360	695,221	661,287	651,121	675,221	664,682	637,617
Total District Expenses	\$ 46,125,053	45,779,587	46,722,906	43,395,172	44,229,870	45,068,712	42,445,226	37,152,325	30,825,502	32,357,859
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 777,999	691,799	720,636	622,714	500,378	594,296	598,423	604,953	614,946	592,269
Operating Grants and Contributions	6,362,365	6,195,396	9,395,891	9,144,507	10,223,120	2,998,342	2,949,400	2,927,881	2,879,293	3,408,167
Total Governmental Activities Prog Revenues	7,140,364	6,887,195	10,116,527	9,767,221	10,723,498	3,592,638	3,547,823	3,532,834	3,494,239	4,000,436
Business-Type Activities										
Charges for Services										
Food Service	360,839	39,520	7,918	228,408	277,824	302,761	315,910	328,832	345,167	355,732
Operating Grants and Contributions	677,337	1,264,285	963,944	508,343	359,471	331,744	328,962	318,978	290,717	268,477
Total Business-Type Activities Prog Revenues	1,038,176	1,303,805	971,862	736,751	637,295	634,505	644,872	647,810	635,884	624,209
Total District Program Revenues	\$ 8,178,540	8,191,000	11,088,389	10,503,972	11,360,793	4,227,143	4,192,695	4,180,644	4,130,123	4,624,645
Net (Expense)/Revenue										
Governmental Activities	\$ (37,865,060)	(37,806,342)	(35,789,258)	(32,935,591)	(32,811,151)	(40,814,787)	(38,246,282)	(32,944,270)	(26,666,581)	(27,719,806)
Business-Type Activities	(81,453)	217,755	154,741	44,391	(57,926)	(26,782)	(6,249)	(27,411)	28,798	(13,408)
Total District-Wide Net Expense	\$ (37,946,513)	(37,588,587)	(35,634,517)	(32,891,200)	(32,869,077)	(40,841,569)	(38,252,531)	(32,971,681)	(26,637,783)	(27,733,214)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 24,355,198	23,883,233	23,418,858	22,965,588	22,521,557	22,063,034	20,792,706	19,610,791	18,968,608	18,596,675
Taxes Levied for Debt Service										206,967
Unrestricted Grants and Contributions	17,400,811	18,191,475	16,659,008	11,114,366	10,507,121	20,046,030	16,705,692	14,353,051	8,917,099	8,643,567
Restricted Grants and Contributions										64,992
Tuition Received	220,969	300,311	425,824	364,286	164,996	297,768	227,126	172,231	127,810	87,733
Transportation Fees from Individuals	33,623	35,595	42,001	34,776	55,236	82,283	39,003	32,989	58,571	55,705
Investment Earnings	279,870	786	916	2,806	5,014	12,110	29,094	16,714	3,679	3,611
Miscellaneous Income	65,549	58,467	141,209	195,735	241,722	101,481	202,668	300,924	176,275	27,709
Transfers					(50,459)	(12,920)		(11,937)	(17,009)	
Fixed Asset Adjustments			727,415	(1,934,942)		(5,273)		(9,733)		886,076
Capital Lease Issued										(1,200,000)
Capital Lease Adjustment										
Compensated Absences (Increase)/reduction										20,919
Total Governmental Activities	42,356,020	42,469,867	41,415,231	32,742,615	33,445,187	42,584,513	37,996,289	34,465,030	28,235,033	28,573,035
Business-Type Activities										
Miscellaneous Income										
Fixed Asset Disposals and Prior Period Adjustments			34,951	41,918	22,054			(3,725)		
Transfers					50,459	12,920		11,937	17,009	
Total Business-Type Activities			34,951	41,918	72,513	12,920		8,212	17,009	
Total District-Wide	\$ 42,356,020	42,469,867	41,450,182	32,784,533	33,517,700	42,597,433	37,996,289	34,473,242	28,252,042	28,573,035
Change in Net Position										
Governmental Activities	\$ 4,490,960	4,663,525	5,625,973	(192,976)	634,036	1,769,726	(249,993)	1,520,760	1,568,452	853,229
Business-Type Activities	(81,453)	217,755	189,692	86,309	14,587	(13,662)	(6,249)	(19,199)	45,807	(13,408)
Total District-Wide	\$ 4,409,507	4,881,280	5,815,665	(106,667)	648,623	1,755,864	(256,242)	1,501,561	1,614,259	839,821

Source: ACFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	<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>
General Fund										
Restricted	\$ 10,894,435	\$ 7,971,213	\$ 4,682,412	\$ 1,211,866	\$ 579,708	\$ 1,179,327	\$ 1,140,329	\$ 539,944	\$ 1,137	\$ 77,650
Assigned	725,369	342,583	151,393	118,830	413,884	365,233	141,238	488,588	1,403,984	667,455
Unassigned (Deficit)	(367,089)	(756,716)	661,230	47,224	(117,542)	(58,939)	(135,250)	(197,144)	(389,220)	(442,214)
Total General Fund	\$ 11,252,715	\$ 7,557,080	\$ 5,495,035	\$ 1,377,920	\$ 876,050	\$ 1,485,621	\$ 1,146,317	\$ 831,388	\$ 1,015,901	\$ 302,891
All Other Governmental Funds										
Restricted - Special Revenue	\$ 230,625	\$ 204,087	\$ 206,602	\$	\$	\$	\$	\$	\$	\$
Committed to Capital Projects Fund					342,303	1,861,581	13,170,754	18,954,570		62,124
Unassigned, reported in:										
Special Revenue Fund (Deficit)	(199,933)	(181,594)	(195,525)	(179,438)	(69,272)					(86,697)
Nonspendable Permanent Fund	88,726	88,726	88,725	88,724	88,723	88,722	88,721	88,720	88,719	
Total All Other Governmental Funds	\$ 119,418	\$ 111,219	\$ 99,802	\$ (90,714)	\$ 361,754	\$ 1,950,303	\$ 13,259,475	\$ 19,043,290	\$ 88,719	\$ (24,573)

Source: ACFR Schedule B-1

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 24,355,198	\$ 23,883,233	\$ 23,418,858	\$ 22,965,588	\$ 22,521,557	\$ 22,063,034	\$ 20,792,706	\$ 19,610,791	\$ 18,968,608	\$ 18,803,642
Tuition Charges	220,969	300,311	425,824	364,286	164,996	297,768	227,126	172,231	127,810	87,733
Transportation Charges	33,623	35,595	42,001	34,776	55,236	82,283	39,003	32,989	58,571	55,705
Interest Earnings	279,870	786	916	2,806	5,014	12,110	29,094	16,714	3,679	3,611
Miscellaneous	313,512	303,831	289,984	195,735	241,722	101,481	202,668	300,924	176,275	27,709
State Sources	24,585,128	22,476,328	19,353,857	17,553,875	15,675,679	14,673,570	12,662,364	12,742,683	11,555,209	11,167,790
Federal Sources	1,597,775	1,618,513	1,422,777	876,869	1,057,049	863,325	894,605	794,024	907,416	948,936
Total Revenues	51,386,075	48,618,597	44,954,217	41,993,935	39,721,253	38,093,571	34,847,566	33,670,356	31,797,568	31,095,126
Expenditures										
Instruction										
Regular Instruction	11,244,070	11,005,514	10,237,358	9,955,201	9,893,375	9,221,957	8,818,051	8,455,906	8,786,497	8,250,988
Special Education Instruction	2,726,461	2,547,604	2,671,318	2,615,177	2,472,257	2,408,713	2,504,837	2,705,519	2,601,154	2,666,345
Other Special Instruction	441,356	405,124	304,017	653,006	566,459	532,027	334,218	322,866	306,440	222,500
Other Instruction	587,451	590,058	428,625	567,792	596,991	555,154	531,701	519,059	481,560	467,418
Support Services										
Tuition	2,037,499	1,769,250	2,057,357	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457
Student and Instruction Related Services	4,540,008	4,924,358	4,744,368	4,953,225	4,231,591	3,615,370	3,551,505	3,292,386	3,024,580	3,183,312
General Administration	661,054	604,811	622,275	624,736	649,281	597,077	595,906	661,695	649,670	627,813
School Administrative Services	1,395,675	1,229,606	1,242,631	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901
Central Services	399,953	392,720	381,058	417,557	437,095	404,197	410,757	419,505	389,746	374,769
Administrative Information Technology	223,140	224,425	213,464	199,650	195,707	131,935	201,139	244,064	218,614	249,148
Plant Operations and Maintenance	3,590,522	3,055,553	2,348,912	2,958,592	2,671,736	2,626,350	2,569,927	2,696,540	2,576,717	3,112,268
Security			57,105							
Pupil Transportation	1,808,256	-	1,191,725	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096
Employee Benefits	14,541,496	1,427,139	12,121,721	11,230,687	10,366,944	9,264,412	9,212,690	8,259,660	7,515,131	7,292,506
Special Schools		14,044,807								
Capital Outlay	1,036,778	1,897,439	156,212	501,177	2,152,936	11,668,159	21,118,034	4,337,500	1,864,831	2,706,628
Debt Service										
Principal	1,600,000	1,525,000	1,450,000	1,380,000	1,315,000	1,650,000				270,991
Interest and Other Charges	777,875	814,750	849,875	883,313	913,544	1,073,236				6,160
Total Expenditures	47,611,594	46,458,158	41,020,916	41,944,533	41,868,914	49,050,519	54,472,270	35,788,361	32,169,662	33,812,300
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	3,774,481	2,160,439	3,933,301	49,402	(2,147,661)	(10,956,948)	(19,624,704)	(2,118,005)	(372,094)	(2,717,174)
Other Financing Sources (Uses)										
Bond Proceeds							14,725,000	20,900,000		
Proceeds from Capital Lease										1,178,748
Capital Leases										1,200,000
Transfers In									8,538	1
Transfers Out	(70,647)	(86,977)	(23,700)		(50,459)	(12,920)		(11,937)	(17,009)	(1)
Total Other Financing Sources (Uses)	(70,647)	(86,977)	(23,700)		(50,459)	(12,920)	14,725,000	20,888,063	(8,471)	2,378,748
Net Change in Fund Balances	\$ 3,703,834	\$ 2,073,462	\$ 3,909,601	\$ 49,402	\$ (2,198,120)	\$ (10,969,868)	\$ (4,899,704)	\$ 18,770,058	\$ (380,565)	\$ (338,426)
Debt Service as a Percentage of										
Noncapital Expenditures	5.11%	5.25%	5.63%	5.46%	5.61%	7.28%	0.00%	0.00%	0.00%	0.89%

Source: ACFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investment</u>	<u>Transportation</u> <u>Fees</u>	<u>Solar</u> <u>Renewable</u> <u>Credits</u>	<u>Prior Year</u> <u>Tuition</u> <u>and</u> <u>Transportation</u>	<u>Prior Year</u> <u>Order</u> <u>Adjustments</u>	<u>ERATE</u>	<u>Miscellaneous</u>	<u>Total</u>
2023	\$ 220,969	\$ 279,870	\$ 33,623	\$ (95)	\$ 52,781	\$	\$ 2,743	\$ 25,208	\$ 615,099
2022	300,311	785	35,595	57,644			43,712	32,616	470,663
2021	425,824	915	42,001	64,594	6,786		47,963	45,566	633,649
2020	364,286	2,803	34,776		1,000		59,803	120,203	582,871
2019	164,996	5,010	55,236		4,493		49,845	18,384	297,964
2018	297,768	7,312	82,283		3,620		52,716	45,145	488,844
2017	227,126	2,751	39,003	67,404	38,614	14,146	56,425	26,089	471,558
2016	172,231	10,382	32,989	63,940	96,054	78,195		62,735	516,526
2015		3,669	58,571	44,480	91,003	28,601		12,200	238,524
2014	87,733	3,611	55,705					27,709	174,758

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate**
2023	\$ 28,785,732	\$ 707,845,243	\$ 10,337,400	\$ 1,221,200	\$ 100,438,800	\$ 96,181,900	\$ 28,824,500	\$ 973,634,775	\$ 1,861,807	\$ 975,496,582	\$ 1,097,300,547	\$ 2.523
2022	19,471,832	708,747,543	10,287,100	1,407,900	103,597,040	107,114,500	28,498,300	979,124,215	1,903,503	981,027,718	1,043,953,742	2.459
2021	19,950,432	708,895,343	10,551,600	1,454,900	101,188,640	112,114,500	29,698,300	983,853,715	1,686,095	985,539,810	1,029,135,685	2.400
2020	20,379,832	711,130,043	10,551,600	1,556,200	106,102,440	117,114,500	29,698,300	996,532,915	1,545,538	998,078,453	999,536,234	2.325
2019	20,506,032	713,092,743	10,652,200	1,554,800	107,469,040	122,114,500	29,748,300	1,005,137,615	1,545,538	1,006,683,153	999,536,234	2.254
2018	21,254,797	717,424,427	10,652,200	1,581,500	107,201,840	151,114,500	29,860,100	1,038,214,399	1,533,759	1,039,748,158	1,015,628,349	2.140
2017	22,034,897	722,771,132	10,397,400	1,582,200	105,785,300	151,114,500	29,860,100	1,043,545,529	1,517,052	1,045,062,581	980,683,704	2.111
2016	21,416,297	726,819,334	10,285,200	1,558,200	108,446,400	151,114,500	30,360,100	1,050,000,031	1,511,704	1,051,511,735	997,620,210	1.924
2015	21,897,997	729,661,534	10,492,000	1,562,200	126,578,900	153,447,700	29,973,300	1,073,613,631	1,539,239	1,075,152,870	1,115,270,411	1.795
2014	21,943,897	731,985,434	10,730,400	1,557,600	129,111,400	166,993,000	29,973,300	1,092,295,031	1,451,982	1,093,747,013	1,179,652,954	1.727

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

Source: District records Tax list summary & Municipal Tax Assessor

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

**Tax rates are per \$100

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

(Rate Per \$100 of Assessed Value)

(UNAUDITED)

Township of Pennsville

Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate *	General Obligation Debt Service **	Total Direct School Tax Rate	Municipality	County	
2023	\$ 2.359	\$ 0.164	\$ 2.523	\$ 0.979	\$ 1.406	\$ 4.908
2022	2.459	0.000	2.459	0.931	1.364	4.754
2021	2.243	0.157	2.400	0.890	1.330	4.620
2020	2.173	0.152	2.325	0.891	1.267	4.483
2019	2.106	0.148	2.254	0.891	1.116	4.261
2018	2.001	0.139	2.140	0.762	1.206	4.108
2017	2.053	0.058	2.111	0.737	1.115	3.963
2016	1.924	0.000	1.924	0.698	1.005	3.627
2015	1.776	0.019	1.795	0.673	1.012	3.480
2014	1.708	0.019	1.727	1.600	0.864	4.191

Source: District Records and Municipal Tax Collector

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

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

** Rates for Debt Service are based on each year's requirements.

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
The Chemours Company FC LLC	85,000,000	1	8.73%	124,000,000	1	11.53%
Siegfried USA, LLC	16,181,900	2	1.66%	13,581,900	4	1.26%
Calpine New Jersey Generation, LLC	10,932,600	3	1.12%	15,865,800	3	1.48%
Orchard Court Apartments LLC	8,752,200	4	0.90%	8,752,200	6	0.81%
Lauras Glen Apartments LLC	8,000,000	5	0.82%			
Pennsville Holdings, LLC	5,363,800	6	0.55%	12,697,300	5	1.18%
ACP Pennsville Assoc.	4,754,900	7	0.49%	16,925,600	2	1.57%
M & P Re, LLC	3,606,600	8	0.37%	3,606,600	10	0.34%
12 Meadow Road LLC	3,600,000	9	0.37%			
Sunrise Gardens Deerot LLC	3,144,700	10	0.32%			
Pennsville Hotel Corp.				6,500,000	8	0.60%
Penn Norse LLC				3,650,000	9	0.34%
HP PCL LLC Et Al C/O Metro Prop.				8,500,000	7	0.79%
Total	\$ 149,336,700		15.34%	\$ 214,079,400		19.90%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 24,355,198	\$ 24,355,198	100.00%	\$
2022	23,883,233	23,883,233	100.00%	
2021	23,418,858	23,418,858	100.00%	
2020	22,965,588	22,965,588	100.00%	
2019	22,521,557	22,521,557	100.00%	
2018	22,063,034	22,063,034	100.00%	
2017	20,792,706	20,792,706	100.00%	
2016	19,610,791	19,610,791	100.00%	
2015	18,968,608	18,968,608	100.00%	
2014	18,803,642	18,803,642	100.00%	

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2023	\$ 26,705,000	\$	\$ 26,705,000	3.54%	455
2022	28,305,000		28,305,000	3.83%	487
2021	29,830,000		29,830,000	4.79%	593
2020	31,280,000		31,280,000	5.32%	658
2019	32,660,000		32,660,000	5.56%	685
2018	33,975,000	246,831	34,221,831	5.90%	728
2017	35,625,000	489,736	36,114,736	6.56%	830
2016	20,900,000	790,201	21,690,201	3.78%	476
2015		1,296,435	1,296,435	0.23%	29
2014		1,796,975	1,796,975	0.32%	42

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property*</u>	<u>Per Capita**</u>
2023	\$ 26,705,000	2.43%	\$ 2,079
2022	28,305,000	2.71%	2,220
2021	29,830,000	2.90%	2,411
2020	31,280,000	3.13%	2,527
2019	32,660,000	3.27%	2,649
2018	33,975,000	3.35%	2,756
2017	35,625,000	3.63%	2,833
2016	20,900,000	2.13%	1,653
2015		0.00%	
2014		0.00%	

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pennsville Township	\$ 10,537,500		\$ 10,537,500
Salem County General Obligation Debt	77,900,052	20.90%	16,277,843
Subtotal, Overlapping Debt			<u>26,815,343</u>
District's Direct Debt			<u>26,705,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 53,520,343</u></u>

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

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

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

Local Debt Margin Calculation for Fiscal Year 2023:
 Equalized valuation basis:

2022	\$ 1,103,487,225
2021	1,048,996,391
2020	1,042,398,447
	<u>\$ 3,194,882,063</u>

Average equalized valuation of taxable property	\$ 1,064,960,688
Debt Limit (4% of average equalized value)*	42,598,428
Net Bonded Debt	26,705,000
	<u>15,893,428</u>
Local Debt Margin	\$ <u>15,893,428</u>

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 42,598,428	\$ 41,284,420	\$ 40,413,890	\$ 40,115,029	\$ 39,847,473	\$ 40,358,084	\$ 41,067,528	\$ 42,908,845	\$ 45,058,170	\$ 47,146,163
Total Net Debt Applicable to Limit	26,705,000	28,305,000	29,830,000	31,280,000	32,660,000	33,975,000	35,625,000	20,900,000		
Legal Debt Margin	\$ 15,893,428	\$ 12,979,420	\$ 10,583,890	\$ 8,835,029	\$ 7,187,473	\$ 6,383,084	\$ 5,442,528	\$ 22,008,845	\$ 45,058,170	\$ 47,146,163
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	62.69%	68.56%	73.81%	77.98%	81.96%	84.18%	86.75%	48.71%	0.00%	0.00%

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

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

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

<u>Year</u>	<u>Population*</u>	<u>Personal Income (thousands of dollars)**</u>	<u>Per Capita Personal Income***</u>	<u>Unemployment Rate****</u>
2023	[^] 12,845	\$ 754,059,525	\$ 58,704	4.4%
2022	12,718	739,201,573	58,122	4.0%
2021	12,626	622,342,941	57,547	6.4%
2020	12,428	588,356,033	54,578	8.2%
2019	12,409	587,602,899	50,597	4.1%
2018	12,499	546,874,820	47,485	4.6%
2017	12,540	577,922,796	45,923	5.3%
2016	12,651	575,499,200	45,126	5.7%
2015	12,754	573,609,750	44,576	6.7%
2014	12,883	554,904,594	42,412	7.5%

[^] Estimate

Source:

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

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

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

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

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

TOWNSHIP OF PENNSVILLE

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSE&G	1500	2.30%	1,500	2.33%
E.I DuPont	685	1.05%		
Mannington Mills	800	1.23%	826	1.28%
Memorial Hospital of Salem County	720	1.11%	500	0.78%
Atlantic City Electric			426	0.66%
R.E Pierson Construction	400	0.61%	500	0.78%
Elmer Hospital				
Ardagh Group (Anchor Glass)	376	0.58%		
McLane NJ	401	0.62%	352	0.55%
Walmart	250	0.38%		
Inspiria Health Network	400	0.61%	489	0.76%
Larchmont Farms	275	0.42%		
	<u>5,807</u>	<u>8.92%</u>	<u>4,593</u>	<u>7.14%</u>

Source: Salem County Office of Development

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

N/A - Information not available

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular and Special Education	177.0	179.0	173.0	179.0	171.5	164.5	166.0	167.0	166.5	166.5
Other Special Education	55.0	44.0	50.0	44.0	38.0	37.0	35.0	34.0	33.0	33.0
Other Instruction	10.0	12.0	11.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Support Services:										
Student & Instruction Related Services	13.0	13.0	13.0	13.0	13.0	15.0	15.0	15.0	15.0	15.0
General Administrative Services	4.0	4.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Administrative Services	4.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	5.5	5.5
School Administrative Services	17.8	17.0	15.0	17.0	17.0	15.0	15.5	15.5	15.5	15.5
Business Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	4.0	4.0	4.0	5.0	4.5	4.5	4.5	4.5
Plant Operations and Maintenance	6.0	6.0	4.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	295.8	289.0	285.0	289.0	274.5	267.5	267.5	267.5	266.0	266.0

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)***	Average Daily Attendance (ADA)***	% Change in Average Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2023	1,786	41,420,647	23,192	3.31%	193	1 : 10	1 : 10	1 : 9	1,786.0	1,652.0	0.46%	92.50%
2022	1,796	40,319,708	22,450	11.87%	192	1 : 11	1 : 13	1 : 9	1,777.9	1,653.8	1.73%	93.02%
2021	1,748	35,076,787	20,067	-10.00%	192	1 : 10	1 : 10	1 : 8	1,747.6	1,671.0	-0.29%	95.62%
2020	1,796	37,043,285	20,625	-7.49%	198	1 : 10	1 : 9	1 : 8	1,795.3	1,713.8	2.43%	95.46%
2019	1,697	37,835,545	22,296	-13.30%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	0.00%	94.85%
2018	1,766	45,416,631	25,717	-14.20%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	-1.37%	94.85%
2017	1,787	53,560,382	29,972	53.35%	198	1 : 12	1 : 10	1 : 9	1,777.0	1,646.5	1.20%	92.66%
2016	1,789	34,966,080	19,545	17.67%	198	1 : 12	1 : 10	1 : 9	1,756.0	1,675.5	-3.70%	95.41%
2015	1,790	31,259,846	17,464	5.14%	199	1 : 12	1 : 10	1 : 9	1,762.0	1,674.4	-3.37%	95.03%
2014	1,856	30,828,521	16,610	4.59%	199	1 : 12	1 : 9.7	1 : 9.3	1,823.5	1,738.9	-4.63%	95.36%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

	<u>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>
<u>District Building</u>										
<u>Administrative Offices:</u>										
Square Feet	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096
Capacity (Students)										
Enrollment										
<u>Elementary</u>										
Central Park Elementary School (1956):										
Square Feet	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	219	270	259	270	257	305	281	267	241	259
Penn Beach Elementary School (1964):										
Square Feet	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	317	307	299	307	265	258	244	262	282	265
Valley Park Elementary School (1969):										
Square Feet	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	363	361	329	361	289	276	297	283	303	323
<u>Middle School</u>										
Pennsville Middle School (1959)										
Square Feet	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938
Capacity (students)	984	984	984	984	984	984	984	984	984	984
Enrollment	441	416	428	416	399	411	422	423	423	458
<u>High School</u>										
Pennsville Memorial High School										
Square Feet	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426
Capacity (students)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Enrollment	446	442	433	442	487	516	543	554	541	551

Number of Schools at June 30, 2023

- Elementary = 3
- Middle School = 1
- High School = 1
- Other = 1

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>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 Office	42,096	\$ 15,278	\$ 34,492	\$ 6,690	\$ 7,578	\$ 3,968	\$ 4,360	\$ 5,482	\$ 7,257	\$ 4,327	\$ 17,775
Pennsville Memorial High School	158,426	140,149	137,991	10,891	16,656	35,396	26,398	20,631	97,866	58,350	239,675
Pennsville Middle School	98,938	109,373	22,817	6,808	47,046	10,142	9,117	12,884	18,964	11,307	46,444
Central Park Elementary School	34,960	112,298	98,531	6,653	7,580	3,228	3,568	4,553	16,908	10,081	41,407
Penn Beach Elementary School	36,330	35,982	23,114	6,653	7,580	22,028	3,964	4,731	50,130	29,889	58,860
Valley Park Elementary School	61,132	20,652	25,443	6,653	313,983	4,250	9,313	7,962	24,036	14,330	122,770
Total School Facilities		<u>433,732</u>	<u>342,388</u>	<u>44,348</u>	<u>400,423</u>	<u>79,012</u>	<u>56,720</u>	<u>56,243</u>	<u>215,161</u>	<u>128,284</u>	<u>526,931</u>
Grand Total		<u>\$ 433,732</u>	<u>\$ 342,388</u>	<u>\$ 44,348</u>	<u>\$ 400,423</u>	<u>\$ 79,012</u>	<u>\$ 56,720</u>	<u>\$ 56,243</u>	<u>\$ 215,161</u>	<u>\$ 128,284</u>	<u>\$ 526,931</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
(UNAUDITED)

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

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the of Education of the Pennsville Township School District's basic financial statements, and have issued our report thereon dated December 1, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2023

NIGHTLINGER, COLAVITA & VOLPA

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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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit

does not provide a legal determination of The Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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*, Uniform Guidance and New Jersey OMB 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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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*, Uniform Guidance and New Jersey OMB 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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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 Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey'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 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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.

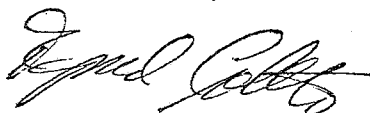
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2023

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2022			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Repayment of Prior Year Balance	JUNE 30, 2023		
						Accounts Receivable	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services:																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program (SEMI)	93.778	2305NJ5MAP	N/A	7/1/22-6/30/23	\$ 103,238	\$	\$	\$ 103,238	\$ (103,238)	\$	\$ (103,238)	\$	\$	\$		
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	7/1/21-6/30/22	81,113	(15,376)		15,376								
Total General Fund						(15,376)		118,614	(103,238)		(103,238)					
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
E.S.E.A.:																
Title I - Part A	84.010	S010A220030	ESEA407523	7/1/22-9/30/23	364,925			242,191	(364,925)		(364,925)			(122,734)		
Title I - Part A	84.010	S010A210030	ESEA407522	7/1/21-9/30/22	310,137	(124,232)		124,232								
Title I SIA	84.010	S010A220030	ESEA407523	7/1/22-9/30/23	10,000			10,000	(10,000)		(10,000)					
Title II A	84.367A	S367A220029	ESEA407523	7/1/22-9/30/23	57,601			38,147	(57,601)		(57,601)			(19,454)		
Title II A	84.367A	S367A210029	ESEA407522	7/1/21-9/30/22	52,360	(16,250)		16,250								
Title III Immigrant	84.365A	S365A220030	ESEA407523	7/1/22-9/30/23	2,781			2,781	(2,781)		(2,781)					
Title III Immigrant	84.365A	S365A210030	ESEA407522	7/1/21-9/30/22	1,610	(1,610)		1,610								
Title IV	84.424A	S424A220031	ESEA407523	7/1/22-9/30/23	26,057			17,256	(26,057)		(26,057)			(8,801)		
Title IV	84.424A	S424A210031	ESEA407522	7/1/21-9/30/22	21,143	(5,904)		5,904								
Education Stabilization Fund:																
CRRSA:																
Learning Acceleration	84.425D	S425D210027	CRRSA-4075-23	3/13/20-9/30/23	60,930			40,752	(40,752)		(40,752)					
Mental Health	84.425D	S425D210027	CRRSA-4075-23	3/13/20-9/30/23	45,000			20,400	(20,400)		(20,400)					
ESSER II	84.425D	S425D210027	CRRSA-4075-23	3/13/20-9/30/23	949,437	(81,791)		431,668	(435,934)		(435,934)			(86,057)		
ARP:																
ARP Homeless II	84.425W	S425W210031	ARP-4075-23	4/23/21-9/30/23	19,320	(95)						95				
Beyond the School Day (After)	84.425U	S425U210027	ARP-4075-23	3/13/20-9/30/24	40,000			8,626	(8,626)		(8,626)					
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	IDEA407522	7/1/22-9/30/23	502,825			502,825	(502,825)		(502,825)					
I.D.E.A. Preschool	84.173	H173A220114	IDEAPS407522	7/1/22-9/30/23	23,325			23,325	(23,325)		(23,325)					
Total US Department of Education						(229,882)		1,485,967	(1,493,226)		(1,493,226)	95		(237,046)		
U.S. Dept. of Agriculture Passed-through State Dept. of Education:																
Enterprise Fund																
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	231NJ304N1099	N/A	7/1/22-6/30/23	395,188			395,188	(395,188)		(395,188)					
National School Breakfast Program	10.553	231NJ304N1099	N/A	7/1/22-6/30/23	76,999			76,999	(76,999)		(76,999)					
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	7/1/22-6/30/23	57,052			57,052	(57,052)		(57,052)					
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	7/1/21-6/30/22	40,783	(40,783)		40,783								
Non-Cash Assistance:																
Food Distribution Program				7/1/22-6/30/23	138,197			138,197	(116,985)		(116,985)			21,212		
Food Distribution Program	10.565	Unknown	N/A	7/1/21-6/30/22	76,352		12,251		(12,251)							
Total U.S. Department of Agriculture						(40,783)	12,251	708,219	(658,475)		(658,475)			21,212		
Total Federal Financial Awards						\$ (286,041)	\$ 12,251	\$ 2,312,800	\$ (2,254,939)	\$	\$ (2,254,939)	\$ 95	\$ (237,046)	\$ 21,212		

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

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2021		Cash Received	Carry-Over	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	June 30, 2023			MEMO	
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund - Current Expense:														
Equalization Aid	23-495-034-5120-078	\$ 12,772,456	7/1/22 to 6/30/23	\$	\$	\$ 11,619,894	\$	\$ (12,772,456)	\$	\$ (1,152,562)	\$	\$	\$ (1,152,562)	\$ 12,772,456
Special Education Categorical Aid	23-495-034-5120-089	1,010,823	7/1/22 to 6/30/23			919,608		(1,010,823)		(91,215)			(91,215)	1,010,823
School Choice Aid	23-495-034-5120-088	165,335	7/1/22 to 6/30/23			150,415		(165,335)		(14,920)			(14,920)	165,335
Security Aid	23-495-034-5120-084	67,439	7/1/22 to 6/30/23			61,353		(67,439)		(6,086)			(6,086)	67,439
Transportation Aid	23-495-034-5120-014	528,133	7/1/22 to 6/30/23			480,475		(528,133)		(47,658)			(47,658)	528,133
Homeless Tuition Reimbursement	N/A	14,183	7/1/22 to 6/30/23					(14,183)		(14,183)			*	14,183
Homeless Tuition Reimbursement	N/A	4,363	7/1/21 to 6/30/22	(4,363)		4,363							*	
Extraordinary Aid	23-495-034-5120-473	257,096	7/1/22 to 6/30/23					(257,096)		(257,096)			*	257,096
Extraordinary Aid	22-495-034-5120-473	415,340	7/1/21 to 6/30/22	(415,340)		415,340							*	
Non-Public Transportation Aid	N/A	1,560	7/1/22 to 6/30/23					(1,560)		(1,560)			*	1,560
Non-Public Transportation Aid	N/A	3,190	7/1/21 to 6/30/22	(3,190)		3,190							*	
State Lead Water Test		5,908				5,908		(5,908)					*	5,908
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	1,052,918	7/1/22 to 6/30/23			949,393		(1,052,918)		(103,525)			*	1,052,918
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003		7/1/21 to 6/30/22	(49,586)		49,586							*	
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	4,954,433	7/1/22 to 6/30/23			4,954,433		(4,954,433)					*	4,954,433
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,301,518	7/1/22 to 6/30/23			1,301,518		(1,301,518)					*	1,301,518
On-Behalf Long-term Disability	23-495-034-5094-004	1,909	7/1/22 to 6/30/23			1,909		(1,909)					*	1,909
				(472,479)		20,917,385		(22,133,711)		(1,688,805)			(1,312,441)	22,133,711
Special Revenue Fund:														
Preschool Education Expansion Aid	23-495-034-5120-086	2,228,985	7/1/22 to 6/30/23			2,029,052	976	(2,061,959)		(199,933)	168,002		(199,933)	2,061,959
Preschool Education Expansion Aid	22-495-034-5120-086	2,053,013	7/1/21 to 6/30/22	(181,594)	976	181,594	(976)						*	
SDA Emergent Needs & Capital Maintenance	23-100-034-5120-086	43,579	7/1/22 to 6/30/23			43,579		(43,579)					*	43,579
Total Special Revenue Fund				(181,594)	976	2,254,225		(2,105,538)		(199,933)	168,002		(199,933)	2,105,538
Debt Service Fund:														
Debt Service Aid Type II	23-495-034-5120-075	797,293	7/1/22 to 6/30/23			797,293		(797,293)					*	797,293
State Department of Agriculture:														
Enterprise Fund														
National School Lunch Program (State Share)	23-100-010-3350-023	17,122	7/1/22 to 6/30/23			17,122		(17,122)					*	17,122
National School Breakfast Program (State Share)	23-100-010-3350-023	1,740	7/1/22 to 6/30/23			1,740		(1,740)					*	1,740
						18,862		(18,862)						18,862
Total State Financial Assistance				\$ (654,073)	\$ 976	\$ 23,987,765	\$	\$ (25,055,404)	\$	\$ (1,888,738)	\$ 168,002	\$	\$ (1,512,374)	\$ 25,055,404
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	4,954,433	7/1/22 to 6/30/23			\$ 4,954,433	\$	\$ (4,954,433)						
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,301,518	7/1/22 to 6/30/23			1,301,518		(1,301,518)						
On-Behalf Long-term Disability	23-495-034-5094-004	1,909	7/1/22 to 6/30/23			1,909		(1,909)						
Total State Financial Assistance - Major Program Determination						\$ 17,729,905	\$	\$ (18,797,544)						

See accompanying notes to schedules of financial assistance

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$210,082) for the general fund and \$(17,028) for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 21,923,629	\$ 103,238	\$ 22,026,867
Special Revenue Fund	1,864,206	1,494,537	3,358,743
Debt Service Fund	797,293		797,293
Food Service	18,862	658,475	677,337
	<u>\$ 24,603,990</u>	<u>\$ 2,256,250</u>	<u>\$ 26,860,240</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Pennsville Township School District had no outstanding State or federal loans at June 30, 2023.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There was no adjustment included on Schedule A or Schedule B.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425		Education Stabilization Fund:
84.425D	S425D210027	CRRSA Consolidated
84.425U	S425U210027	ARP Consolidated

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

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

State Awards

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

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

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-068	School Choice Aid
23-495-034-5120-014	Transportation Aid

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

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

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

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

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.