

**BOARD OF EDUCATION  
OF THE  
BOROUGH OF PINE HILL  
SCHOOL DISTRICT  
PINE HILL, NEW JERSEY**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Table of Contents

---

<b>INTRODUCTORY SECTION</b>	<u><b>Page</b></u>
Letter of Transmittal	2
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
 <b>FINANCIAL SECTION</b> 	
<b>Independent Auditor's Report</b>	11
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	16
<b>Basic Financial Statements</b>	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Combining Statement of Fiduciary Net Position	N/A
B-8 Combining Statement of Changes in Fiduciary Net Position	N/A
<b>Notes to the Financial Statements</b>	34
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	74
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	86
C-3 Budget-to-GAAP Reconciliation	88

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Table of Contents

---

<b>FINANCIAL SECTION (CONT'D)</b>	<b>Page</b>
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability - PERS	90
L-2 Schedule of the School District's Contributions – PERS	91
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	92
L-4 Schedule of the School District's Contributions – TPAF	93
L-5 Notes to Required Supplementary Information - Part III	94
<b>Required Supplementary Information - Part IV</b>	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	96
M-2 Notes to Required Supplementary Information - Part IV	97
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	100
E-2 Schedule Preschool Education Aid of Expenditures - Budgetary Basis	104
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance -2g and Project Status	N/A

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Table of Contents

---

<b>FINANCIAL SECTION (CONT'D)</b>	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	106
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	107
G-3 Statement of Cash Flows	108
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	110
I-2 Schedule of Obligations under Capital Leases	111
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
<b>STATISTICAL SECTION (Unaudited)</b>	
<b>Introduction to the Statistical Section</b>	
<b>Financial Trends Information</b>	
J-1 Net Position by Component	114
J-2 Changes in Net Position	115
J-3 Fund Balances - Governmental Funds	117
J-4 Changes in Fund Balances - Governmental Funds	118
J-5 General Fund - Other Local Revenue by Source	119
<b>Revenue Capacity Information</b>	
J-6 Assessed Value and Actual Value of Taxable Property	121
J-7 Direct and Overlapping Property Tax Rates	122
J-8 Principal Property Taxpayers	123
J-9 Property Tax Levies and Collections	124
<b>Debt Capacity Information</b>	
J-10 Ratios of Outstanding Debt by Type	126
J-11 Ratios of Net General Bonded Debt Outstanding	127
J-12 Direct and Overlapping Governmental Activities Debt	128
J-13 Legal Debt Margin Information	129

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Table of Contents

---

	<b>Page</b>
<b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>	
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	131
J-15 Principal Non-Governmental Employers	132
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	134
J-17 Operating Statistics	135
J-18 School Building Information	136
J-19 Schedule of Required Maintenance	137
J-20 Insurance Schedule	138
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	140
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB	142
K-3 Schedule of Expenditures of Federal Awards, Schedule A	145
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	147
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	149
K-6 Schedule of Findings and Questioned Costs	152
Section 1 - Summary of Auditor's Results	152
Section 2 – Schedule of Financial Statement Findings	154
Section 3 – Schedule of Federal Award Findings and Questioned Costs	155
Section 4 – Schedule of State Financial Assistance Findings and Questioned Costs	156
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	157

# INTRODUCTORY SECTION



# PINE HILL PUBLIC SCHOOLS

Central Administration

1003 Turnerville Road ▲ Pine Hill, New Jersey 08021 ▲ Central Office: 856.783.6900

Business Office: 856.784.8887 ▲ Fax: 856.783.2955

Melissa Williams, Ed.D., Superintendent

Cherie Bratty, Ed.D., Business Administrator

February 1, 2024

Honorable President and  
Members of the Board of Education  
Pine Hill Board of Education  
County of Camden, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Pine Hill School District for the fiscal year ending June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Pine Hill Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Pine Hill School District. All disclosures necessary to enable the reader to obtain an understanding of the Pine Hill School 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 Pine Hill School District's organizational chart and a list of principal officials. The financial section includes the general purpose 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 Pine Hill School District is required to undergo an annual single audit in conformity with provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and questioned costs, are included in the single audit section of this report.

1.) **REPORTING ENTITY AND ITS SERVICES:** The Pine Hill School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14, as amended. All funds of the Pine Hill School District are included in this report. The Pine Hill Board of Education and all its schools constitute the Pine Hill School District’s reporting entity.

The Pine Hill School District provides a full range of educational services appropriate to grade levels preschool through 12. We are in a send/receive relationship with Berlin Township and Clementon for their students in grades 9 to 12.

The Pre-K to fifth grade classrooms are primarily self-contained, and the pupils are grouped heterogeneously. A portion of each day is spent in standards-based instruction in the areas of Reading, Math and Written Language. Students in grades six through twelve follow a traditional schedule with teachers who specialize in their given content area. In addition, pupils are offered programs in Art, Music (Instrumental and Vocal), and programs for Gifted and Talented pupils, Physical Education/Health, Science, Social Studies, World Language and Technology. Efforts are made by the district to identify and provide individual educational plans for pupils who are learning disabled, either in self-contained classrooms, resource centers, or in-class support.

In addition to the variety of instructional programs available to students in Pine Hill, other services are provided. All four schools enjoy the services of a full-time school nurse. The nurses also conduct annual vision screening in grades two, six and ten. Six full time guidance counselors service the needs of children at each school. Additionally, five members create two full Child Study Teams to service the district.

The District’s structure is as follows:

Elementary Schools	Pre-K through fifth grade
Middle School	Sixth grade through eighth grade
High School	Ninth grade through twelfth grade

The Pine Hill School District completed the 2022-2023 fiscal year with an in-district enrollment of 1906 students. The following details the changes in the student enrollment of the Pine Hill School District over the last five years.

Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	1,852	(1.12%)
2019-2020	1,882	1.61%
2020-2021	1,860	(1.17%)
2021-2022	1,862	1.08%
2022-2023	1,906	2.36%



- 2.) **ECONOMIC CONDITION AND OUTLOOK:** The Pine Hill School District's enrollment has increased and there has been an increase in the number of transit students. This includes an increase of non-English speaking students that required continued expansion of our ESL services. The additional services combined with an increase in the number of families receiving free and reduced lunch benefits puts a strain on our local budget. Therefore, we continue to rely heavily on state funding and federal grants to supplement the district's budget.

Next year's budget will require additional funds to address learning loss and mental health issues yet again, due to the COVID-19 pandemic. This will result in the need for additional programs such as summer enrichment and online support programs. Additionally, social-emotional supports such as more mental health and behavioral staff for both teachers and students will be needed to help close achievement gaps and sustain emotional wellbeing.

- 3.) **MAJOR INITIATIVES:** The Board of Education identified the following budget priorities around the district goals for the 2023-2024 school year budget process:

- Replacing the outdated fire alarm system in each building
- Purchase buses to increase transportation efficiency to meet the needs of our students
- Resurfacing the tennis courts

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

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

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

- 5.) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the Pine Hill School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2023.

- 6.) **ACCOUNTING SYSTEM AND REPORT:** The Pine Hill School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Pine Hill School District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

- 7.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the Pine Hill School District continues to meet its responsibility for sound financial management.

- 8.) **DEBT ADMINISTRATION:** As of June 30, 2023, the Pine Hill School District had an outstanding debt of \$3,290,000.00.

- 9.) **CASH MANAGEMENT:** The investment policy of the Pine Hill School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The Pine Hill School 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.

- 10.) **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 student accident insurance.

11.) **OTHER INFORMATION:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition, to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements 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 is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12.) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Pine Hill 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,

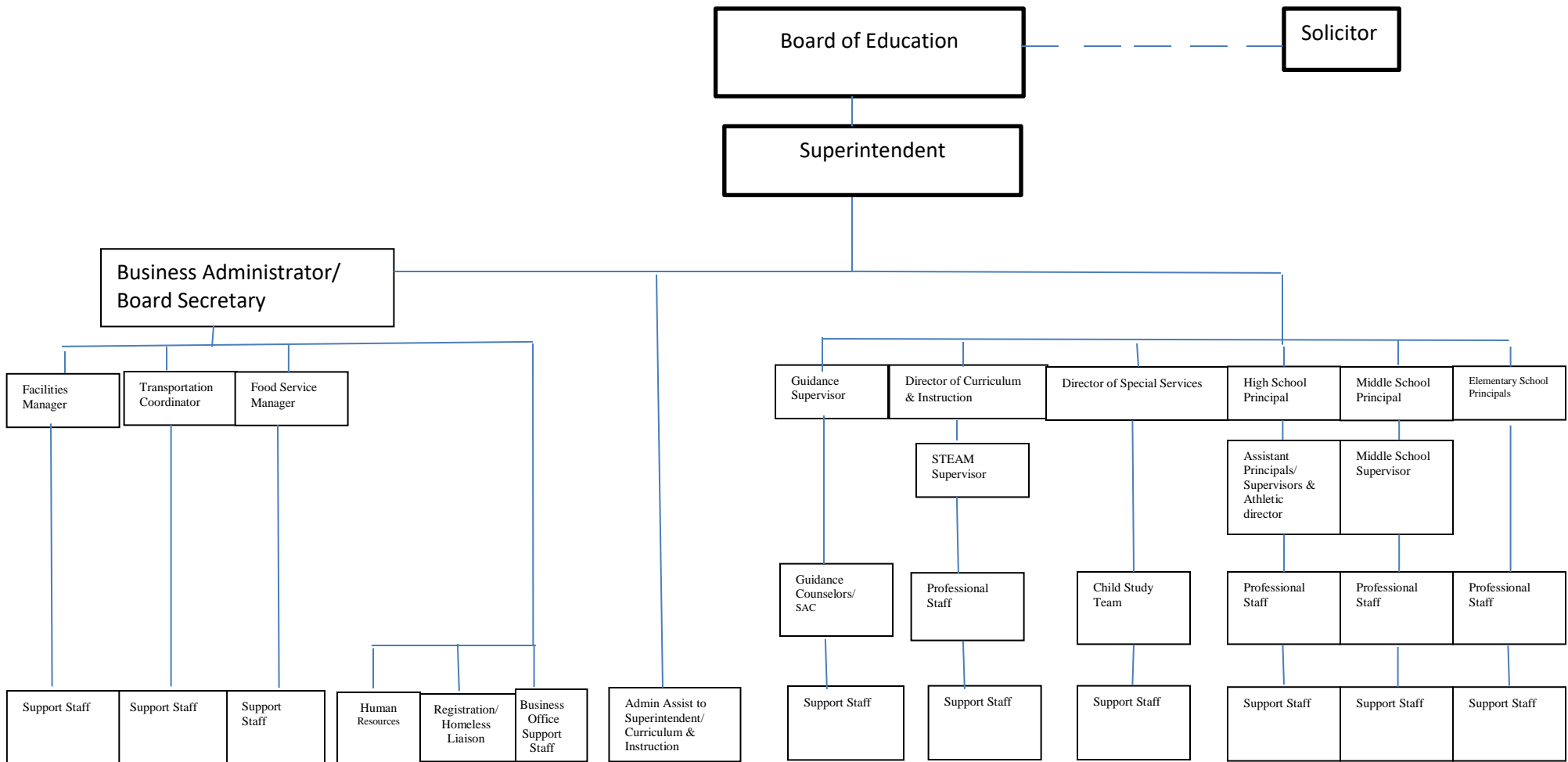


Dr. Melissa Williams  
Superintendent of Schools



Dr. Cherie Bratty  
School Business Administrator

# Pine Hill Board of Education – Organizational Chart



**PINE HILL BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

<b><u>Members of the Board of Education</u></b>		<b><u>Term Expires</u></b>
Martin Mendetta	President	2023
Christine Boyd	Vice-President	2025
Sharon Young	Member	2024
Angela Kosar	Member	2024
Angela Cooper	Member	2024
Patricia Knott	Member	2025
Heather Cathrall	Member	2023
Robert Rozelle	Member	2025
Felix James	Member	2023
Randy Freiling	(Clementon)	2025
Kimberly Reed	(Berlin)	2025

**SUPERINTENDENT**

Dr. Melissa Williams

**BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR**

Dr. Cherie Bratty

**TREASURER OF SCHOOL MONIES**

Thomas Cardis

**PINE HILL BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
JUNE 30, 2023**

**INDEPENDENT AUDITOR**

Daniel M. DiGangi  
Bowman & Company LLP  
601 White Horse Rd  
Voorhees, NJ 08043

**ATTORNEY**

Parker McCay  
9000 Midlantic Dr. #300  
Mt. Laurel, NJ 08054  
Frank Cavallo, Tracey Schneider

**OFFICIAL DEPOSITORS**

Audubon Savings Bank / William Penn Bank  
Beneficial Bank / Bank of Princeton Bank

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Pine Hill School District  
County of Camden  
1003 Turnerville Road  
Pine Hill, New Jersey 08021

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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



***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

**Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024 on our consideration of the Borough of Pine Hill School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Pine Hill School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Pine Hill School District's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
February 1, 2024

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)

---

The management's discussion and analysis of the Borough of Pine Hill School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2023 and 2022. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

**FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2023:

- The assets and deferred outflows of resources of the Pine Hill School District exceeded its liabilities and deferred outflows of resources at the close of the fiscal year by \$29,389,989 (net position).
- The School District's total net position increased by \$6,699,423. This increase is attributable to the Pine Hill School District's budgeting practices, corresponding realization of excess revenues over expenditures and the payment of long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$12,637,941 an increase of \$1,609,800 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$1,100,510 which is a decrease of \$787,719 in comparison with the prior year.
- The Pine Hill School District's total bonded debt decreased by \$390,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities the School District operates *like businesses*, such as food services.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited) (Cont'd)

---

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

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

**Government-Wide Statements**

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

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has two kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Table 1 provides a summary of the School District's net position for fiscal years 2023 and 2022.

<b>TABLE 1</b>				
Net Position				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 14,299,800	\$ 14,505,499	\$ (205,699)	-1.42%
Capital Assets, net	<u>27,980,627</u>	<u>23,802,022</u>	<u>4,178,606</u>	<u>17.56%</u>
<b>Total Assets</b>	<u>42,280,427</u>	<u>38,307,521</u>	<u>3,972,906</u>	<u>10.37%</u>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	<u>1,179,787</u>	<u>823,677</u>	<u>356,110</u>	<u>43.23%</u>
<b>Liabilities:</b>				
Long-Term Liabilities	11,071,909	9,752,180	1,319,729	13.53%
Other Liabilities	<u>1,729,642</u>	<u>3,305,896</u>	<u>(1,576,254)</u>	<u>-47.68%</u>
<b>Total Liabilities</b>	<u>12,801,551</u>	<u>13,058,077</u>	<u>(256,526)</u>	<u>-1.96%</u>
Deferred Inflow of Resources - Related to Pensions	<u>1,268,674</u>	<u>3,382,555</u>	<u>(2,113,881)</u>	<u>-62.49%</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	23,917,521	19,668,968	4,248,554	21.60%
Restricted	11,765,703	8,468,984	3,296,720	38.93%
Unrestricted (Deficit)	<u>(6,293,236)</u>	<u>(5,447,386)</u>	<u>(845,850)</u>	<u>15.53%</u>
<b>Total Net Position</b>	<u>\$ 29,389,989</u>	<u>\$ 22,690,566</u>	<u>\$ 6,699,423</u>	<u>29.53%</u>

Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Net Position.

<b>TABLE 2</b>				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,179,787	\$ 823,677	\$ 356,110	43.23%
Less: Net Pension Liability	(5,796,244)	(4,373,686)	(1,422,558)	-32.53%
Less: Deferred Inflows Related to Pensions	<u>(1,268,674)</u>	<u>(3,382,555)</u>	<u>2,113,881</u>	<u>62.49%</u>
	<u>\$ (5,885,131)</u>	<u>\$ (6,932,564)</u>	<u>\$ 1,047,433</u>	<u>-15.11%</u>

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2023 and 2022.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 7,512,453	\$ 6,433,022	\$ 1,079,432	16.78%
Operating Grants and Contributions	8,508,542	10,821,640	(2,313,098)	-21.37%
General Revenues:				
Property Taxes	12,295,158	12,173,424	121,734	1.00%
Federal and State Aid	24,135,497	20,599,259	3,536,238	17.17%
Other	430,559	433,221	(2,662)	-0.61%
<b>Total Revenues</b>	<u>52,882,208</u>	<u>50,460,566</u>	<u>2,421,643</u>	<u>4.80%</u>
<b>Expenses:</b>				
Instruction:				
Regular	11,598,733	10,560,394	1,038,340	9.83%
Special Education	4,833,958	4,412,594	421,364	9.55%
Other Special Instruction	530,792	547,554	(16,761)	-3.06%
Other Instruction	1,123,417	1,169,249	(45,832)	-3.92%
Tuition	2,582,171	2,089,509	492,662	23.58%
Student Services:				
Student and Instruction Related	4,380,971	3,967,400	413,571	10.42%
School Administrative Services	1,544,495	1,412,745	131,750	9.33%
Other Administrative Services	1,507,130	1,248,684	258,446	20.70%
Plant Operations and Maintenance	4,002,148	3,869,899	132,249	3.42%
Pupil Transportation	2,011,632	1,337,321	674,310	50.42%
Unallocated Benefits	9,226,170	11,984,095	(2,757,925)	-23.01%
Reimbursed TPAF Pension and Social Security	1,199,262	1,123,706	75,556	6.72%
Transfer to Charter Schools	32,173	63,622	(31,449)	-49.43%
Interest on Long-Term Debt	103,363	120,870	(17,507)	-14.48%
Food Service	1,506,370	1,233,531	272,838	22.12%
<b>Total Expenses</b>	<u>46,182,785</u>	<u>45,141,173</u>	<u>1,041,612</u>	<u>2.31%</u>
<b>Increase (Decrease) in Net Position</b>	<u>6,699,423</u>	<u>5,319,393</u>	<u>1,380,030</u>	<u>25.94%</u>
<b>Beginning Net Position</b>	<u>22,690,566</u>	<u>17,371,173</u>	<u>5,319,393</u>	<u>30.62%</u>
<b>Ending Net Position</b>	<u>\$ 29,389,989</u>	<u>\$ 22,690,566</u>	<u>\$ 6,699,423</u>	<u>29.53%</u>



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited) (Cont'd)

---

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

**Governmental Activities**

In 2022-2023, Governmental Activities Revenues were \$51,516,767 or 97.42% of total revenues.

In 2021-2022, Governmental Activities Revenues were \$48,886,569 or 96.88% of total revenues.

The \$2,630,198 increase in Governmental Activities Revenues from FY 2021-2022 to FY 2022-2023 was mainly related to GASB 68 reported revenues.

In 2022-2023, General Revenues - Property Taxes of \$12,295,158 made up 23.25%, and General Revenues – Federal and State Aid of \$24,135,497 made up 45.64% of total revenues.

In 2021-2022, General Revenues - Property Taxes of \$12,173,424 made up 24.90%, and General Revenues – Federal and State Aid of \$20,599,259 made up 42.14% of total governmental revenues.

In 2022-2023, the School District's Governmental Activities expenditures increased by \$768,775 or 1.75%. This increase was mainly the result of Unallocated Benefits increasing due to GASB 68 reported expenses.

**Business-Type Activities**

In 2022-2023 Business-Type Activities Revenues were \$1,365,233 or 2.58% of total revenues. In 2021-2022 Business-Type Activities Revenues were \$1,573,814 or 3.12% of total revenues.

Charges for Services for Business-Type Activities were \$299,164 in 2022-2023 compared to \$104,697 in 2021-2022, a 185.74% increase.

Expenses for Business-Type Activities were \$1,506,370 in 2022-2023 compared to \$1,233,531 in 2021-2022, a 22.12% increase.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$40,688,794.

The 2022-2023 General Fund Tax Levy was \$12,295,158 compared to \$12,173,424 in 2021-2022.

During fiscal year 2023, the School District budgeted \$12,295,158 for property taxes (local tax levy), \$21,542,812 for state revenues and \$103,973 for federal revenues.

The School District also received \$1,197,076 and \$7,206,477 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions, Long-term Disability Insurance and Non-Contributory Insurance, respectively. The Pine Hill School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions, Long-term Disability Insurance and Non-Contributory Insurance of \$1,197,076 and \$7,206,477 respectively.

The final budgetary basis expenditure appropriation estimate was \$46,105,742.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2023  
 (Unaudited) (Cont'd)

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

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$12,637,941, an increase of \$1,609,800 in comparison with the prior year.

Of the combined ending fund balances of \$12,637,941, \$1,100,510 constitutes unassigned fund balance deficits and the fund balances of \$13,738,451 are restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$427,587 in unrestricted net position.

**CAPITAL ASSETS**

The Pine Hill School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$27,980,627 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment. There was a net increase in the Pine Hill School District's investment in capital assets for the current fiscal year of 17.56 percent. The net increase was the result of construction. Table 4 reflects the capital assets.

**TABLE 4**  
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 400,000	\$ 400,000
Construction in Progress	1,584,925	
Land Improvements	383,799	422,029
Building and Improvements	21,666,592	20,879,433
Lease Assets - Equipment	147,721	
Furniture, Fixtures and Equipment	<u>3,797,589</u>	<u>2,100,560</u>
 Total Capital Assets	 <u>\$ 27,980,627</u>	 <u>\$ 23,802,022</u>

Depreciation expense was \$1,850,701 for fiscal year ended 2023 and \$1,604,824 for fiscal year ended 2022.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the Pine Hill School District had total bonded debt outstanding of \$3,290,000. The entire Pine Hill School District's bonded debt is governmental as opposed to business-type. The 2024 adopted budget has an appropriation of \$415,000 representing the payment of the annual principal. The 2012 refunding bonds will mature on December 15, 2032.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited) (Cont'd)

---

**FACTORS ON THE DISTRICT'S FUTURE**

For the 2022-2023 school year, the Pine Hill School District was able to sustain its budget through the tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 23.25 percent of total revenue is from local tax levy and 45.64 percent of the Pine Hill School District's revenue is from general revenue – federal and state aid.

In conclusion, the Pine Hill Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Cherie Bratty, School Business Administrator/Board Secretary at the Pine Hill School District, 1003 Turnerville Road, Pine Hill, New Jersey 08021. Please visit our website at <http://www.pinehill.k12.nj.us>.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 10,705,139.15	\$ 484,023.55	\$ 11,189,162.70
Receivables (Note 4)	2,846,034.43	49,198.20	2,895,232.63
Inventory (Note 5)		29,985.90	29,985.90
Restricted Cash and Cash Equivalents	185,418.48		185,418.48
Capital Assets, net (Note 6)	<u>27,709,135.65</u>	<u>271,491.50</u>	<u>27,980,627.15</u>
<b>Total Assets</b>	<u>41,445,727.71</u>	<u>834,699.15</u>	<u>42,280,426.86</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	<u>1,179,787.00</u>	<u>-</u>	<u>1,179,787.00</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	483,984.00		483,984.00
Other	635,486.95	5,994.31	641,481.26
Internal Balances	(121,754.19)	121,754.19	
Accrued Interest	11,386.42		11,386.42
Unearned Revenue	584,918.32	7,872.14	592,790.46
Noncurrent Liabilities (Note 7):			
Due Within One Year	816,253.34		816,253.34
Due Beyond One Year	<u>10,255,655.56</u>		<u>10,255,655.56</u>
<b>Total Liabilities</b>	<u>12,665,930.40</u>	<u>135,620.64</u>	<u>12,801,551.04</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	<u>1,268,674.00</u>	<u>-</u>	<u>1,268,674.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	23,646,029.88	271,491.50	23,917,521.38
Restricted for:			
Debt Service	0.34		0.34
Capital Projects	2,948,798.58		2,948,798.58
Special Revenue	136,138.94		136,138.94
Unemployment Compensation	181,300.86		181,300.86
Scholarships	1,278.01		1,278.01
Student Activities	184,140.13		184,140.13
Other Purposes	8,314,046.36		8,314,046.36
Unrestricted (Deficit)	<u>(6,720,822.79)</u>	<u>427,587.01</u>	<u>(6,293,235.78)</u>
<b>Total Net Position</b>	<u>\$ 28,690,910.31</u>	<u>\$ 699,078.51</u>	<u>\$ 29,389,988.82</u>

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 11,598,733.45	\$ 4,793,418.33			\$ (6,805,315.13)		\$ (6,805,315.13)
Special Education	4,833,957.83	2,180,437.88	\$ 1,373,311.79		(1,280,208.15)		(1,280,208.15)
Other Special Instruction	530,792.09				(530,792.09)		(530,792.09)
Other Instruction	1,123,417.15				(1,123,417.15)		(1,123,417.15)
Tuition	2,582,170.83		499,856.99		(2,082,313.84)		(2,082,313.84)
Support Services:							
Student and Instruction Related Services	4,380,970.55	239,433.02	498,515.59		(3,643,021.94)		(3,643,021.94)
School Administrative Services	1,544,495.12				(1,544,495.12)		(1,544,495.12)
Other Administrative Services	1,507,129.91				(1,507,129.91)		(1,507,129.91)
Plant Operations and Maintenance	4,002,148.42				(4,002,148.42)		(4,002,148.42)
Pupil Transportation	2,011,631.69				(2,011,631.69)		(2,011,631.69)
Unallocated Benefits	9,226,170.41		3,871,526.59		(5,354,643.82)		(5,354,643.82)
Reimbursed TPAF and Social Security	1,199,261.96		1,199,261.96				
Transfer to Charter School	32,173.00				(32,173.00)		(32,173.00)
Interest on Long-Term Debt	103,363.22				(103,363.22)		(103,363.22)
<b>Total Governmental Activities</b>	<b>44,676,415.63</b>	<b>7,213,289.23</b>	<b>7,442,472.92</b>	<b>-</b>	<b>(30,020,653.48)</b>	<b>-</b>	<b>(30,020,653.48)</b>
<b>Business-Type Activities:</b>							
Food Service	1,506,369.61	299,164.13	1,066,068.64			\$ (141,136.84)	(141,136.84)
<b>Total Government</b>	<b>\$ 46,182,785.24</b>	<b>\$ 7,512,453.36</b>	<b>\$ 8,508,541.56</b>	<b>-</b>	<b>(30,020,653.48)</b>	<b>(141,136.84)</b>	<b>(30,161,790.32)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					12,295,158.00		12,295,158.00
Federal and State Aid Not Restricted					21,880,869.50		21,880,869.50
Federal and State Aid Restricted					2,254,627.10		2,254,627.10
Miscellaneous Income					430,350.34	208.32	430,558.66
<b>Total General Revenues</b>					<b>36,861,004.94</b>	<b>208.32</b>	<b>36,861,213.26</b>
<b>Change in Net Position</b>					<b>6,840,351.46</b>	<b>(140,928.52)</b>	<b>6,699,422.94</b>
<b>Net Position -- July 1</b>					<b>21,850,558.85</b>	<b>840,007.03</b>	<b>22,690,565.88</b>
<b>Net Position -- June 30</b>					<b>\$ 28,690,910.31</b>	<b>\$ 699,078.51</b>	<b>\$ 29,389,988.82</b>

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

FUND FINANCIAL STATEMENTS



## BOROUGH OF PINE HILL SCHOOL DISTRICT

Governmental Funds  
Balance Sheet  
June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 10,705,139.15	\$ 185,418.14	\$ 0.34	\$ 10,890,557.63
Receivables:				
Interfunds Receivable:				
Food Service Fund	121,754.19			121,754.19
Special Revenue Fund	1,260,422.80			1,260,422.80
Receivables from Other Governments:				
Federal		2,173,078.65		2,173,078.65
State of New Jersey	526,224.07			526,224.07
Other	146,731.71			146,731.71
<b>Total Assets</b>	<b>\$ 12,760,271.92</b>	<b>\$ 2,358,496.79</b>	<b>\$ 0.34</b>	<b>\$ 15,118,769.05</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	\$ 106,778.62	\$ 191,598.59		\$ 298,377.21
Payroll Deductions Payable	262,337.25			262,337.25
Unemployment Compensation Claims Payable	74,772.49			74,772.49
Interfunds Payable:				
General Fund		1,260,422.80		1,260,422.80
Unearned Revenue		584,918.32		584,918.32
<b>Total Liabilities</b>	<b>443,888.36</b>	<b>2,036,939.71</b>	<b>-</b>	<b>2,480,828.07</b>
Fund Balances:				
Restricted:				
Capital Reserve	1,216,366.58			1,216,366.58
Capital Reserve -- Designated for Subsequent Year's Expenditures	1,732,432.00			1,732,432.00
Maintenance Reserve	2,185,919.87			2,185,919.87
Maintenance Reserve -- Designated for Subsequent Year's Expenditures	597,400.00			597,400.00
Emergency Reserve	400,400.18			400,400.18
Excess Surplus	4,097,007.31			4,097,007.31
Excess Surplus Designed for Subsequent Year's Expenditures	1,033,319.00			1,033,319.00
Special Revenue		136,138.94		136,138.94
Debt Service			\$ 0.34	0.34
Unemployment Compensation	181,300.86			181,300.86
Scholarships		1,278.01		1,278.01
Student Activities		184,140.13		184,140.13
Assigned:				
Other Purposes	1,173,804.35			1,173,804.35
Subsequent Year's Expenditures	798,943.00			798,943.00
Unassigned (Deficit)	(1,100,509.59)			(1,100,509.59)
<b>Total Fund Balances</b>	<b>12,316,383.56</b>	<b>321,557.08</b>	<b>0.34</b>	<b>12,637,940.98</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,760,271.92</b>	<b>\$ 2,358,496.79</b>	<b>\$ 0.34</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of the assets is \$52,982,901.12 and the accumulated depreciation and amortization is \$25,273,765.46. 27,709,135.65  
(11,386.42)

Interest on long term debt is accrued on the Statement of Net Position regardless when due.

Long-term liabilities, including bonds payable, financed purchases and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (11,071,908.90)

Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources. (483,984.00)

Deferred Outflows of Resources - Related to Pensions 1,179,787.00

Deferred Inflows of Resources - Related to Pensions (1,268,674.00)

Net Position of governmental activities \$ 28,690,910.31

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2023

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
<b>REVENUES:</b>				
Local Tax Levy	\$ 12,295,158.00			\$ 12,295,158.00
Tuition	6,973,856.21			6,973,856.21
Miscellaneous	430,350.34			430,350.34
Federal Sources	87,106.30	\$ 4,034,719.52		4,121,825.82
State Sources	30,197,316.16	835,646.80		31,032,962.96
Other Local Revenue		268,051.85		268,051.85
<b>Total Revenues</b>	<u>49,983,787.01</u>	<u>5,138,418.17</u>	<u>-</u>	<u>55,122,205.18</u>
<b>EXPENDITURES:</b>				
Regular Instruction	10,361,178.48			10,361,178.48
Special Education Instruction	3,429,727.29	1,283,382.34		4,713,109.63
Other Special Instruction	530,792.09			530,792.09
Other Instruction	1,069,967.87			1,069,967.87
Tuition	2,082,313.84	499,856.99		2,582,170.83
Support Services and Undistributed Costs:				
Student and Instruction Related Services	3,643,021.94	737,948.61		4,380,970.55
School Administrative Services	1,366,330.86			1,366,330.86
Other Administrative Services	1,410,772.42			1,410,772.42
Plant Operations and Maintenance	4,494,130.56			4,494,130.56
Pupil Transportation	2,075,239.15			2,075,239.15
Unallocated Benefits	6,391,554.82	295,342.59		6,686,897.41
Reimbursed TPAF Pension, Medical and Social Security	8,403,552.96			8,403,552.96
Transfer to Charter Schools	32,173.00			32,173.00
Capital Outlay	3,678,858.69	2,231,958.19		5,910,816.88
<b>Total Expenditures</b>	<u>48,969,613.97</u>	<u>5,048,488.72</u>	<u>-</u>	<u>54,018,102.69</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,014,173.04</u>	<u>89,929.45</u>	<u>-</u>	<u>1,104,102.49</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer To Special Revenue Fund	(29,997.00)	29,997.00		
Assets Acquired Under Leases	505,697.28			505,697.28
<b>Total Other Financing Sources and Uses</b>	<u>475,700.28</u>	<u>29,997.00</u>	<u>-</u>	<u>505,697.28</u>
<b>Net Change in Fund Balances</b>	<u>1,489,873.32</u>	<u>119,926.45</u>	<u>-</u>	<u>1,609,799.77</u>
Fund Balance (Deficit) -- July 1	<u>10,826,510.24</u>	<u>201,630.63</u>	<u>\$ 0.34</u>	<u>11,028,141.21</u>
Fund Balance (Deficit) -- June 30	<u>\$ 12,316,383.56</u>	<u>\$ 321,557.08</u>	<u>\$ 0.34</u>	<u>\$ 12,637,940.98</u>

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	1,609,799.77
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the period.</p>		
Depreciation and Amortization Expense	\$	(1,830,883.01)
Capital Outlays		5,910,816.88
		4,079,933.87
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		390,000.00
Assets acquired under financed purchases do not affect the statement of net position, however, are not reported as a financing source in the governmental funds.		(505,697.28)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Bond Premiums (+)		14,565.85
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation.		(5,791.57)
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 (+).		32,881.50
Repayment of financed purchases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		117,056.74
Repayment of lease liability is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		48,022.67
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		1,059,579.91
Change in Net Position of Governmental Activities	\$	6,840,351.46

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Proprietary Fund  
 Business Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2023

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 484,023.55
Accounts Receivable:	
State	1,519.48
Federal	36,613.10
Other	11,065.62
Inventories	<u>29,985.90</u>
Total Current Assets	<u>563,207.65</u>
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	1,090,665.56
Less Accumulated Depreciation	<u>(819,174.06)</u>
Total Noncurrent Assets	<u>271,491.50</u>
Total Assets	<u>834,699.15</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	121,754.19
Accounts Payable	5,994.31
Unearned Revenue	<u>7,872.14</u>
Total Liabilities	<u>135,620.64</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	271,491.50
Unrestricted	<u>427,587.01</u>
Total Net Position	<u>\$ 699,078.51</u>

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 163,437.41
School Breakfast Program	14,175.04
School SNAck Program	106.75
Daily Sales - Non-Reimbursable Programs	111,802.23
Special Functions	<u>9,642.70</u>
Total Operating Revenues	<u>299,164.13</u>
<b>OPERATING EXPENSES:</b>	
Salaries	473,479.38
Employee Benefits	96,817.29
General Supplies	120,189.97
Depreciation	19,817.69
Cleaning, Repairs & Maintenance Services	145,998.37
Purchased Professional & Technical Services	5,000.00
Other Purchased Services	31,053.36
Cost of Sales - Reimbursable Programs	473,998.10
Cost of Sales - Non-Reimbursable Programs	85,238.00
Miscellaneous	<u>54,777.45</u>
Total Operating Expenses	<u>1,506,369.61</u>
Operating Income / (Loss)	<u>(1,207,205.48)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	20,734.09
State School Breakfast Program	3,216.90
State Breakfast After the Bell Program	8,636.90
Federal Sources:	
National School Lunch Program	587,208.98
After School Snack Program	22,717.80
National School Breakfast Program	187,076.24
Special Milk Program	79.33
Food Distribution Program	139,050.49
Supply Chain Assistance	97,347.91
Interest Revenue	<u>208.32</u>
Total Nonoperating Revenues (Expenses)	<u>1,066,276.96</u>
Change in Net Position	(140,928.52)
Net Position -- July 1	<u>840,007.03</u>
Net Position -- June 30	<u><u>\$ 699,078.51</u></u>

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 296,305.00
Payments to Employees	(473,479.38)
Payments for Employee Benefits	(96,817.29)
Payments for Supplies and Services	<u>(916,515.07)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,190,506.74)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	35,043.40
Federal Sources	<u>1,242,493.66</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,334,697.04</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(118,489.38)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>208.32</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,909.24
Cash and Cash Equivalents -- July 1	<u>458,114.31</u>
Cash and Cash Equivalents -- June 30	<u>\$ 484,023.55</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	<u>\$ (1,207,205.48)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	19,817.69
(Increase) Decrease in Inventories	(6,254.13)
Increase (Decrease) in Unearned Revenue	2,544.32
(Increase) Decrease in Accounts Receivable	<u>(5,403.45)</u>
Total Adjustments	<u>16,698.74</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,190,506.74)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>	
Food Distribution Program	<u>\$ 139,050.49</u>

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

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms and two members from the sending districts. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through Twelve at its four schools. The School District has an approximate enrollment at June 30, 2023 of 1,906.

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

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

Based upon the application of these criteria, the School District has determined that the following organization is considered a component unit:

Pine Hill Education Foundation  
1003 Turnersville Road  
Pine Hill, New Jersey 08021

Complete financial statements of the component unit can be obtained from their administrative office.

This component unit is not significant and has not been included in the School District's financial statements.

**Government-wide and Fund Financial Statements**

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

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



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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary fund:

**Enterprise Funds**

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

**Budgets / Budgetary Control**

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

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

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

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

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

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

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

**Inventories**

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

The cost of inventories in the governmental fund financial statements 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.

**Tuition Receivable**

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

**Lease Receivable**

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

**Capital Assets**

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

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Buildings and Improvements	20 - 50 Years
Land Improvements	15 - 20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

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

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

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

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

**Recently Issued Accounting Pronouncements**

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

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



**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2023, the School District's bank balances of \$12,983,768.79 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 12,937,651.84
Uninsured and uncollateralized	<u>46,116.95</u>
Total	<u>\$ 12,983,768.79</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

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

Beginning Balance, July 1, 2022	\$ 3,991,850.83
Increased by:	
Deposit per June 13, 2023 Resolution	\$ 1,000,000.00
Interest Earnings	<u>1,947.75</u>
	1,001,947.75
Decreased by:	
Withdrawals	<u>2,045,000.00</u>
Ending Balance, June 30, 2023	<u>\$ 2,948,798.58</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted projects at June 30, 2023 is \$13,699,645.72. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards		\$2,173,078.65	\$ 2,173,078.65	\$ 36,613.10	\$ 2,209,691.75
State Awards	\$ 526,224.07		526,224.07	1,519.48	527,743.55
Other Government	146,731.71		146,731.71		146,731.71
Other Receivables				11,065.62	11,065.62
	<u>\$ 672,955.78</u>	<u>\$2,173,078.65</u>	<u>\$ 2,846,034.43</u>	<u>\$ 49,198.20</u>	<u>\$ 2,895,232.63</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 23,544.41
Supplies	<u>6,441.49</u>
	<u>\$ 29,985.90</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 400,000.00			\$ 400,000.00
Construction in Progress		\$ 1,584,924.85		1,584,924.85
Total Capital Assets, not being Depreciated:	400,000.00	1,584,924.85	-	1,984,924.85
Capital Assets, not being Depreciated:				
Furniture, Fixtures and Equipment	5,594,676.50	1,985,120.69	\$ (868,394.02)	6,711,403.17
Lease Asset - Equipment		196,961.78		196,961.78
Buildings and Improvements	39,811,698.24	2,143,809.56		41,955,507.80
Land Improvements	2,134,103.52			2,134,103.52
Total Capital Assets, not being Depreciated:	47,540,478.26	4,325,892.03	(868,394.02)	50,997,976.27
Total Capital Assets, being Depreciated, Net	47,940,478.26	5,910,816.88	(868,394.02)	52,982,901.12
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(3,666,936.27)	(386,763.08)	868,394.02	(3,185,305.33)
Lease Asset - Equipment		(49,240.45)		(49,240.45)
Buildings and Improvements	(18,932,265.29)	(1,356,650.19)		(20,288,915.48)
Land Improvements	(1,712,074.91)	(38,229.29)		(1,750,304.20)
Total Accumulated Depreciation	(24,311,276.47)	(1,830,883.01)	868,394.02	(25,273,765.46)
Total Capital Assets, being Depreciated, Net	23,229,201.79	2,495,009.02	-	25,724,210.81
Governmental Activities Capital Assets, Net	<u>\$ 23,629,201.79</u>	<u>\$ 4,079,933.87</u>	<u>-</u>	<u>\$ 27,709,135.66</u>
	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
<b>Business-Type Activities:</b>				
Capital Assets:				
Furniture, Fixtures and Equipment	\$ 972,176.18	\$ 118,489.38		\$ 1,090,665.56
Less Accumulated Depreciation	(799,356.37)	(19,817.69)		(819,174.06)
Business-Type Activities Capital Assets, Net	<u>\$ 172,819.81</u>	<u>\$ 98,671.69</u>	<u>-</u>	<u>\$ 271,491.50</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

**Governmental Activities:**

Instruction - Regular	\$ 1,260,155.78
Instruction - Special Education	131,128.89
Instruction Related Services	53,449.28
General Administration	73,114.46
School Administration	178,164.26
Other Administration	71,265.70
Operations/Maintenance	10,155.36
Transportation	53,449.28
	<hr/>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,830,883.01</u>

**Business-Type Activities:**

Food Service	<u>\$ 19,817.69</u>
--------------	---------------------

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

<b>Governmental Activities:</b>	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>	<b>Due within One Year</b>
Bonds Payable:					
General Obligation Bonds	\$ 3,680,000.00	-	\$ (390,000.00)	\$ 3,290,000.00	\$ 415,000.00
Other Liabilities:					
Net Pension Liability	4,373,686.00	\$ 3,514,911.00	(2,092,353.00)	5,796,244.00	
Lease Liability		196,961.78	(48,022.67)	148,939.11	48,657.63
Financed Purchased Leases	294,112.32	308,735.50	(117,056.74)	485,791.08	110,083.88
Compensated Absences	1,245,440.63	216,206.63	(249,088.13)	1,212,559.13	242,511.83
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Liabilities	5,913,238.95	4,236,814.91	(2,506,520.54)	7,643,533.32	401,253.34
Other Adjustments to Debt:					
Unamortized Premium on Bonds	152,941.43	-	(14,565.85)	138,375.58	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activities Long-Term Liabilities	<u>\$ 9,746,180.38</u>	<u>\$ 4,236,814.91</u>	<u>\$ (2,911,086.39)</u>	<u>\$ 11,071,908.90</u>	<u>\$ 816,253.34</u>

The bonds, financed purchases, compensated absences, net pension liability, and lease liabilities, are liquidated by the general fund.

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

On December 15, 2012, the School District issued \$6,470,000.00 of School Refunding Bonds at interest rates varying from 2.00% to 4.00%. The proceeds were used to provide funds for energy improvements throughout the District. The final maturity of these bonds is December 15, 2032. The bonds will be paid from property taxes.

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

Principal and interest due on bonds outstanding is as follows:

<b>Fiscal Year</b>				
<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2024	\$ 415,000.00	\$ 101,068.80	\$ 516,068.80	
2025	440,000.00	88,762.50	528,762.50	
2026	465,000.00	75,187.50	540,187.50	
2027	490,000.00	60,556.26	550,556.26	
2028	520,000.00	44,775.01	564,775.01	
2029-2033	960,000.00	98,825.00	1,058,825.00	
	<u>\$ 3,290,000.00</u>	<u>\$ 469,175.07</u>	<u>\$ 3,759,175.07</u>	

**Bonds Authorized but not Issued** - As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

**Financed Purchases** - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2023, the School District is financing four (4) school buses with a total cost of \$409,764.28. The agreement is for a term of five (5) years with an interest rate of 2.65%. The final maturity of the financed purchase is September 15, 2024.

The school is also financing three (3) school buses with a total cost of \$302,735.50. The agreement is for a term of five (5) years with an interest rate of 2.65%. The final maturity of the financed purchase is August 15, 2026.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

<b>Fiscal Year</b>				
<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2024	\$ 110,083.88	\$ 14,928.50	\$ 125,012.38	
2025	252,843.76	12,232.62	265,076.38	
2026	60,247.85	4,828.53	65,076.38	
2027	62,615.59	2,460.79	65,076.38	
	<u>\$ 485,791.08</u>	<u>\$ 34,450.44</u>	<u>\$ 520,241.52</u>	

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

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

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

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

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

The School District leased seventeen (17) copiers for the School District, beginning on July 22, 2022 for a term of four years at a fixed interest rate of 2.00%. This lease is not renewable and the School District will not acquire the copiers at the end of the four years.

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

<b><u>Fiscal Year</u></b> <b><u>Ending June 30.</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024	\$ 48,657.63	\$ 2,534.37	\$ 51,192.00
2025	49,639.76	1,552.24	51,192.00
2026	<u>50,641.72</u>	<u>550.28</u>	<u>51,192.00</u>
Total	<u>\$ 148,939.11</u>	<u>\$ 4,636.89</u>	<u>\$ 153,576.00</u>

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

**Note 8: PENSION PLANS**

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

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

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

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

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

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

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



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

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

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

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

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

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 35.34% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

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

**Teachers' Pension and Annuity Fund (Cont'd)** - Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$5,639,762.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$1,218,986.62.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 16.78% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$484,399.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$220,803.98.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was 0.00% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$0.00.

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

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

For the fiscal year ended June 30, 2023, employee contributions totaled \$17,989.04, and the School District recognized pension expense, which equaled the required contributions, of \$9,811.70. There were no forfeitures during the fiscal year.

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

**Pension Liability** - At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer		<u>69,525,146.00</u>
	<u>\$</u>	<u>69,525,146.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .1347532381%, which was a decrease of .0022331908% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$1,871,116.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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

**Pension Liability** - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$5,796,244.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the School District's proportion was .0384076571%, which was an increase of .0014880081% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of \$(558,187.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

**Deferred Outflows and Inflows of Resources** - At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 41,835.00	\$ 36,892.00
Changes of Assumptions	17,959.00	867,927.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	239,901.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	396,108.00	363,855.00
Contributions Subsequent to the Measurement Date	483,984.00	-
	<u>\$ 1,179,787.00</u>	<u>\$ 1,268,674.00</u>

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

**Deferred Outflows and Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$483,984.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	
2024	\$ (590,904.00)
2025	(196,214.00)
2026	(106,368.00)
2027	318,958.00
2028	1,657.00
	<hr/>
	<b><u>\$ (572,871.00)</u></b>

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

	<b><u>Deferred</u></b>	<b><u>Deferred</u></b>		<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
	<b><u>Outflows of</u></b>	<b><u>Inflows of</u></b>		<b><u>Outflows of</u></b>	<b><u>Inflows of</u></b>
	<b><u>Resources</u></b>	<b><u>Resources</u></b>		<b><u>Resources</u></b>	<b><u>Resources</u></b>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

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

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market 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%
	<u>100.00%</u>	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

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

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>TPAF</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	81,519,711.00	69,525,146.00	59,421,232.00
	<u>\$ 81,519,711.00</u>	<u>\$ 69,525,146.00</u>	<u>\$ 59,421,232.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ 7,446,476.00	\$ 5,796,244.00	\$ 4,391,831.00



**Note 8: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

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

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

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

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

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

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

**General Information about the OPEB Plan (Cont'd)**

**Employees Covered by Benefit Terms** - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,817
	364,817

**Total Non-Employer OPEB Liability**

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$82,875,603.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .1636355199%, which was a decrease of 0.0002459192% from its proportion measured as of June 30, 2021.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

\* based on service years

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

**Mortality Rates** - 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 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.

**Experience Studies** - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

**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 for June 30, 2022 measurement date 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 Non-Employer OPEB Liability**

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

Balance at June 30, 2022		\$ 98,341,402.00
Changes for the Year:		
Service Cost	\$ 4,003,624.00	
Interest Cost	2,196,295.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	2,672,110.00	
Changes in Assumptions	(22,232,124.00)	
Member Contributions	69,791.00	
Gross Benefit Payments	(2,175,495.00)	
Net Changes		(15,465,799.00)
Balance at June 30, 2023		\$ 82,875,603.00

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

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 97,411,554.00	\$ 82,875,603.00	\$ 71,225,765.00

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 68,501,751.00	\$ 82,875,603.00	\$ 101,756,530.00

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

**OPEB Expense** - For the fiscal year ended June 30, 2023, the School District recognized \$1,705,068.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

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

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ 14,796,583.00	\$ 25,302,880.00
Changes of Assumptions	14,343,669.00	28,206,328.00
Changes in Proportion	<u>243,922.00</u>	<u>2,474,257.00</u>
	<u>\$ 29,384,174.00</u>	<u>\$ 55,983,465.00</u>

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

<b>Fiscal Year Ending June 30,</b>	
2024	\$ (4,495,223.00)
2025	(4,495,223.00)
2026	(4,495,223.00)
2027	(3,902,737.00)
2028	(2,365,845.00)
Thereafter	<u>(6,845,040.00)</u>
	<u>\$ (26,599,291.00)</u>

**Note 10: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$5,627,402, \$78,074, \$1,498,815, and \$2,186.00, respectively.

**Note 11: RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Claims Liability</u>	<u>Restricted Fund Balance</u>
2023		\$ 39,129.58	\$ 275.70	\$ 39,129.58	\$ 74,772.49	\$ 181,300.86
2022		35,224.49	254.60	35,224.49	74,409.32	181,025.16
2021	\$ 50,000.00	32,447.25	206.77	32,447.25	908.29	180,770.56

**Joint Insurance Fund** - The School District is a member of the School Alliance Insurance Pool Joint Insurance Fund. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report. The Fund provides its members with the following coverage:

- Property (Including Crime and Physical Damage)
- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Motor Vehicles
- School Board Legal Liability
- Boiler and Machinery
- Pollution / Environmental Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims based on the line of coverage for each insured event.

**Note 11: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Fund (Cont'd)** - The Fund publishes its own financial report for the fiscal year ended June 30, 2023, which can be obtained from:

School Alliance Insurance Fund  
51 Everett Drive, Suite B-40  
West Windsor, New Jersey 08550

**Note 12: DEFERRED COMPENSATION**

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

AXA  
Midland National  
Lincoln Investment Planning  
Fidelity

**Note 13: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,212,559.13. No liability exists as of June 30, 2023 for the proprietary fund.

**Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,382,176.99	
Special Revenue		\$ 1,260,422.80
Food Service		121,754.19
	<u>\$ 1,382,176.99</u>	<u>\$ 1,382,176.99</u>

**Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)**

**Interfunds (Cont'd)** - The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Transfers -**

	<u>Transfer In:</u>
<u>Transfer Out:</u>	<u>Special Revenue</u>
General Fund	\$ <u>29,997.00</u>

The \$29,997.00 transfer from the general fund to the special revenue fund is the local funding of the preschool education aid grant.

**Note 15: CONTINGENCIES**

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

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

**Note 16: CONCENTRATIONS**

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



**Note 17: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$1,100,509.59 in the general fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,100,509.59 is equal to or is less than the June state aid payments.

**Note 18: FUND BALANCES****RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$4,097,007.31. Additionally, \$1,033,319.00 of excess fund balance generated during 2021-2022 has been restricted and designated for utilization in the 2023-2024 budget.

**For Capital Reserve Account** - As of June 30, 2023, the balance in the capital reserve account is \$2,948,798.58. Of this amount, \$1,732,432.00 has been designated for utilization in the 2023-2024 budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2023, the balance in the maintenance reserve account is \$2,783,319.87. Of this amount, \$597,400.00 has been designated for utilization in the 2023-2024 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

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

**For Emergency Reserve** - As of June 30, 2023, the balance in the emergency reserve is \$400,400.18. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**For Unemployment Compensation** - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$181,300.86 for future unemployment claims.

**Special Revenue Fund**

**Special Revenue** - The School District was the beneficiary of various State, Federal and private grants. The district may only utilize these funds in accordance with the terms of the grant agreements. As of June 30, 2023, the restricted fund balance amount was \$136,138.94.

**For Scholarships** - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2023 is \$1,278.01.

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$184,140.13.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has \$0.34 of debt service fund balance at June 30, 2023.

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

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

**General Fund**

**Other Purposes** - As of June 30, 2023, the School District had \$1,173,804.35 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**For Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024, \$798,943.00 of general fund balance at June 30, 2023.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2023, the general fund balance had a fund balance deficit of \$1,100,509.59.

**Note 19: TAX ABATEMENTS**

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

The Borough of Pine Hill has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$1,716,600.00. Based on the School District's 2022 certified tax rate of \$2.579, abated taxes totaled \$47,360.99.

**Note 20: SUBSEQUENT EVENTS**

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2024.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 12,295,158.00		\$ 12,295,158.00	\$ 12,295,158.00	
Tuition from Other LEAs Within the State	6,504,351.00		6,504,351.00	6,973,856.21	\$ 469,505.21
Transportation Fees from Other LEAs	171,000.00		171,000.00	141,064.56	(29,935.44)
Unrestricted Miscellaneous Revenues	70,500.00		70,500.00	285,175.87	214,675.87
Interest Earned on Maintenance Reserve Funds	500.00		500.00	2,162.16	1,662.16
Interest Earned on Capital Reserve Funds	500.00		500.00	1,947.75	1,447.75
<b>Total - Local Sources</b>	<u>19,042,009.00</u>		<u>19,042,009.00</u>	<u>19,699,364.55</u>	<u>657,355.55</u>
State Sources:					
School Choice Aid	256,846.00		256,846.00	256,846.00	
Transportation Aid	588,996.00		588,996.00	588,996.00	
Extraordinary Aid	200,000.00		200,000.00	391,484.00	191,484.00
Special Education Aid	1,283,209.00		1,283,209.00	1,283,209.00	
Equalization Aid	18,677,592.00		18,677,592.00	18,677,592.00	
Security Aid	536,169.00		536,169.00	536,169.00	
Homeless Aid				76,098.00	76,098.00
State Reimbursement from Securing Our Childrens Future Bond Act				100,760.00	100,760.00
On-behalf TPAF Pension Contributions (non-budgeted)				5,627,402.00	5,627,402.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				78,074.00	78,074.00
On-behalf TPAF Medical Contributions (non-budgeted)				1,498,815.00	1,498,815.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,186.00	2,186.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,197,075.96	1,197,075.96
<b>Total - State Sources</b>	<u>21,542,812.00</u>		<u>21,542,812.00</u>	<u>30,314,706.96</u>	<u>8,771,894.96</u>
Federal Sources:					
Special Education Medicaid Initiative	103,973.00		103,973.00	42,710.41	(61,262.59)
Medicaid Administrative Claiming Aid				31,895.46	31,895.46
FFRCA/SEMI				12,500.43	12,500.43
<b>Total - Federal Sources</b>	<u>103,973.00</u>		<u>103,973.00</u>	<u>87,106.30</u>	<u>(16,866.70)</u>
<b>Total Revenues</b>	<u>40,688,794.00</u>		<u>40,688,794.00</u>	<u>50,101,177.81</u>	<u>9,412,383.81</u>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Local Contribution - Transfer to Special Revenue - Regular	\$ 29,997.00		\$ 29,997.00		\$ 29,997.00
Kindergarten	543,576.63	\$ (42,753.00)	500,823.63	\$ 482,613.44	18,210.19
Grades 1 - 5	3,160,505.04	(3,000.00)	3,157,505.04	3,068,154.55	89,350.49
Grades 6 - 8	2,183,932.08	(239,713.00)	1,944,219.08	1,926,140.23	18,078.85
Grades 9 - 12	3,359,612.45	172,966.00	3,532,578.45	3,478,306.60	54,271.85
Regular Programs - Home Instruction:					
Salaries of Teachers	45,000.00	21,215.00	66,215.00	66,215.00	
Purchased Professional - Educational Services	35,000.00	(21,215.00)	13,785.00	12,905.50	879.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	217,179.76	35,132.00	252,311.76	239,303.30	13,008.46
Purchased Professional - Educational Services	298,200.00	50,503.71	348,703.71	296,183.07	52,520.64
Purchased Technical Services	269,620.00	(37,900.18)	231,719.82	217,759.32	13,960.50
Other Purchased Services	68,784.00	(14,996.10)	53,787.90	38,126.85	15,661.05
General Supplies	669,733.50	(36,769.07)	632,964.43	498,023.69	134,940.74
Textbooks	4,000.00	25,655.00	29,655.00	25,493.38	4,161.62
Other Objects	17,500.00	(2,415.00)	15,085.00	11,953.55	3,131.45
<b>Total - Regular Programs</b>	<b>10,902,640.46</b>	<b>(93,289.64)</b>	<b>10,809,350.82</b>	<b>10,361,178.48</b>	<b>448,172.34</b>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	709,481.25	(732.35)	708,748.90	630,240.03	78,508.87
Other Salaries for Instruction	227,340.55	732.35	228,072.90	39,786.64	188,286.26
Purchased Professional - Educational Services	9,100.00		9,100.00	2,115.75	6,984.25
General Supplies	12,000.00	(6,700.00)	5,300.00	2,608.95	2,691.05
<b>Total - Learning and/or Language Disabilities</b>	<b>957,921.80</b>	<b>(6,700.00)</b>	<b>951,221.80</b>	<b>674,751.37</b>	<b>276,470.43</b>
Behavioral Disabilities:					
Salaries of Teachers	175,774.26	(521.83)	175,252.43	110,755.81	64,496.62
Other Salaries for Instruction	40,922.00	12,521.82	53,443.82	22,970.56	30,473.26
Purchased Professional - Educational Services	28,500.00	(17,500.00)	11,000.00	136.50	10,863.50
General Supplies	4,500.00		4,500.00	1,217.26	3,282.74
<b>Total - Behavioral Disabilities</b>	<b>249,696.26</b>	<b>(5,500.01)</b>	<b>244,196.25</b>	<b>135,080.13</b>	<b>109,116.12</b>
Multiple Disabilities:					
Salaries of Teachers	891,170.29	0.01	891,170.30	807,666.54	83,503.76
Other Salaries for Instruction	373,816.97		373,816.97	118,555.44	255,261.53
Purchased Professional - Educational Services	94,000.00	(49,200.00)	44,800.00	4,504.50	40,295.50
General Supplies	20,200.00	(3,000.00)	17,200.00	9,852.22	7,347.78
Other Objects	8,000.00		8,000.00	4,198.54	3,801.46
<b>Total - Multiple Disabilities</b>	<b>1,387,187.26</b>	<b>(52,199.99)</b>	<b>1,334,987.27</b>	<b>944,777.24</b>	<b>390,210.03</b>

(Continued)



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education(Cont'd):					
Resource Room/Center:					
Salaries of Teachers	\$ 1,494,718.90	\$ 8,811.00	\$ 1,503,529.90	\$ 1,499,654.85	\$ 3,875.05
Other Salaries for Instruction	49,008.86	3,185.00	52,193.86	51,693.46	500.40
Purchased Professional - Educational Services	43,750.00	(23,757.96)	19,992.04	1,774.50	18,217.54
Purchased Professional and Technical Services	1,500.00		1,500.00		1,500.00
General Supplies	9,050.00		9,050.00	1,609.08	7,440.92
<b>Total - Resource Room/Center</b>	<b>1,598,027.76</b>	<b>(11,761.96)</b>	<b>1,586,265.80</b>	<b>1,554,731.89</b>	<b>31,533.91</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	64,557.42		64,557.42	57,942.73	6,614.69
Other Salaries for Instruction	13,034.17		13,034.17	1,908.67	11,125.50
Purchased Professional - Educational Services	2,500.00		2,500.00		2,500.00
General Supplies	3,000.00		3,000.00	1,347.70	1,652.30
<b>Total - Preschool Disabilities - Part-Time</b>	<b>83,091.59</b>		<b>83,091.59</b>	<b>61,199.10</b>	<b>21,892.49</b>
Home Instruction:					
Salaries of Teachers	5,000.00		5,000.00		5,000.00
Purchased Professional - Educational Services	70,000.00	25,000.00	95,000.00	59,187.56	35,812.44
<b>Total - Home Instruction</b>	<b>75,000.00</b>	<b>25,000.00</b>	<b>100,000.00</b>	<b>59,187.56</b>	<b>40,812.44</b>
<b>Total - Special Education</b>	<b>4,350,924.67</b>	<b>(51,161.96)</b>	<b>4,299,762.71</b>	<b>3,429,727.29</b>	<b>870,035.42</b>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	394,069.65		394,069.65	313,291.02	80,778.63
Other Salaries for Instruction	77,053.45	(12,037.00)	65,016.45	62,493.16	2,523.29
Purchased Professional - Educational Services	3,000.00	(2,463.00)	537.00	409.50	127.50
General Supplies	2,000.00	(500.00)	1,500.00		1,500.00
<b>Total - Basic Skills / Remedial - Instruction</b>	<b>476,123.10</b>	<b>(15,000.00)</b>	<b>461,123.10</b>	<b>376,193.68</b>	<b>84,929.42</b>
Bilingual Education:					
Salaries of Teachers	162,546.75	(0.01)	162,546.74	151,731.40	10,815.34
Purchased Professional - Educational Services	2,100.00		2,100.00		2,100.00
General Supplies	4,450.00		4,450.00	2,867.01	1,582.99
<b>Total - Bilingual Education</b>	<b>169,096.75</b>	<b>(0.01)</b>	<b>169,096.74</b>	<b>154,598.41</b>	<b>14,498.33</b>
Vocational Programs - Local - Instruction					
Salaries of Teachers	293,752.42		293,752.42	209,816.00	83,936.42
Purchased Professional - Educational Services	2,500.00		2,500.00	819.00	1,681.00
Other Purchased Services	10,500.00	(2,095.00)	8,405.00	8,404.02	0.98
General Supplies	25,000.00	4,390.00	29,390.00	29,116.50	273.50
<b>Total - Vocational Programs</b>	<b>331,752.42</b>	<b>2,295.00</b>	<b>334,047.42</b>	<b>248,155.52</b>	<b>85,891.90</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 155,000.00	\$ (865.00)	\$ 154,135.00	\$ 125,901.40	\$ 28,233.60
Purchased Services	24,100.00	7,970.00	32,070.00	26,884.60	5,185.40
Supplies and Materials	21,100.00	(1,000.00)	20,100.00	17,619.44	2,480.56
Other Objects	17,900.00	(12,000.00)	5,900.00	4,078.69	1,821.31
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>218,100.00</b>	<b>(5,895.00)</b>	<b>212,205.00</b>	<b>174,484.13</b>	<b>37,720.87</b>
School Sponsored Athletics - Instruction:					
Salaries	414,498.00		414,498.00	353,757.97	60,740.03
Purchased Services	77,345.00	(568.00)	76,777.00	67,794.33	8,982.67
Supplies and Materials	71,317.00	8,075.00	79,392.00	79,016.10	375.90
Other Objects	19,390.00		19,390.00	15,500.00	3,890.00
<b>Total - School Sponsored Athletics - Instruction</b>	<b>582,550.00</b>	<b>7,507.00</b>	<b>590,057.00</b>	<b>516,068.40</b>	<b>73,988.60</b>
Alternative Education Program - Instruction					
Salaries of Teachers	80,000.00		80,000.00	59,015.25	20,984.75
Purchased Professional and Technical Services	9,910.00	(6,807.00)	3,103.00		3,103.00
General Supplies	2,500.00	(2,500.00)			
<b>Total - Alternative Education Program - Instruction</b>	<b>92,410.00</b>	<b>(9,307.00)</b>	<b>83,103.00</b>	<b>59,015.25</b>	<b>24,087.75</b>
Alternative Education Program - Support Services					
Salaries	76,000.00		76,000.00	68,701.25	7,298.75
Supplies and Materials		2,500.00	2,500.00	1,125.32	1,374.68
<b>Total - Alternative Education Program - Support Services</b>	<b>76,000.00</b>	<b>2,500.00</b>	<b>78,500.00</b>	<b>69,826.57</b>	<b>8,673.43</b>
Community Services Programs/Operations					
Supplies and Materials	8,500.00		8,500.00	2,418.00	6,082.00
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	148,568.40		148,568.40	39,740.92	108,827.48
Tuition to Other LEAs within the State - Special	63,554.00		63,554.00	557.41	62,996.59
Tuition to County Voc. School Dist. - Regular	259,239.00	(18,000.00)	241,239.00	207,391.20	33,847.80
Tuition to County Voc. School Dist. - Special	52,615.00		52,615.00	51,847.80	767.20
Tuition to CSSD & Reg. Day Schools	415,775.00	45,000.00	460,775.00	416,321.78	44,453.22
Tuition to Private School for the Disabled within State	2,050,434.00	(305,910.80)	1,744,523.20	1,366,454.73	378,068.47
<b>Total - Undistributed Expenditures - Instruction</b>	<b>2,990,185.40</b>	<b>(278,910.80)</b>	<b>2,711,274.60</b>	<b>2,082,313.84</b>	<b>628,960.76</b>
<b>Total - Instruction</b>	<b>20,198,282.80</b>	<b>(441,262.41)</b>	<b>19,757,020.39</b>	<b>17,473,979.57</b>	<b>2,283,040.82</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Attendance and Social Work:					
Salaries	\$ 73,023.92	\$ (4,500.00)	\$ 68,523.92	\$ 64,367.99	\$ 4,155.93
Purchased Professional and Technical Services	67,992.00	4,500.00	72,492.00	66,105.35	6,386.65
Supplies and Materials	5,750.00		5,750.00	111.10	5,638.90
<b>Total Attendance and Social Work</b>	<b>146,765.92</b>		<b>146,765.92</b>	<b>130,584.44</b>	<b>16,181.48</b>
Health Services:					
Salaries	328,556.72	9,410.00	337,966.72	280,630.00	57,336.72
Purchased Professional and Technical Services	93,400.00		93,400.00	50,793.74	42,606.26
Other Professional Services	1,950.00	(780.00)	1,170.00	55.74	1,114.26
Supplies and Materials	12,496.13	3,081.23	15,577.36	13,770.23	1,807.13
Other Objects	500.00		500.00		500.00
<b>Total - Health Services</b>	<b>436,902.85</b>	<b>11,711.23</b>	<b>448,614.08</b>	<b>345,249.71</b>	<b>103,364.37</b>
Other Support Services - Students - Related Services:					
Salaries	330,836.14		330,836.14	303,094.54	27,741.60
Purchased Professional - Educational Services	52,000.00	35,695.00	87,695.00	69,326.94	18,368.06
Supplies and Materials	3,800.00	100.00	3,900.00	3,843.65	56.35
<b>Total - Other Support Services-Students-Related Services</b>	<b>386,636.14</b>	<b>35,795.00</b>	<b>422,431.14</b>	<b>376,265.13</b>	<b>46,166.01</b>
Other Support Services - Students - Extra Services:					
Salaries	245,008.17	9,150.00	254,158.17	229,308.84	24,849.33
Purchased Professional - Educational Services	356,000.00	(30,520.00)	325,480.00	306,815.82	18,664.18
Supplies and Materials	1,000.00	(1,000.00)			
<b>Total - Other Support Services - Students - Extra Services</b>	<b>602,008.17</b>	<b>(22,370.00)</b>	<b>579,638.17</b>	<b>536,124.66</b>	<b>43,513.51</b>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	492,506.09	24,650.00	517,156.09	376,978.53	140,177.56
Salaries of Secretarial and Clerical Assistants	82,461.28	1,600.00	84,061.28	70,496.04	13,565.24
Other Salaries		165.00	165.00	162.75	2.25
Purchased Professional - Educational Services	11,234.00	(1,600.00)	9,634.00	2,609.67	7,024.33
Other Purchased Professional and Technical Services	5,000.00		5,000.00		5,000.00
Other Purchased Services	11,424.00	(10.00)	11,414.00	2,358.03	9,055.97
Supplies and Materials	35,800.00	(14,390.00)	21,410.00	8,483.55	12,926.45
Other Objects	600.00		600.00		600.00
<b>Total - Other Support Services - Students - Regular</b>	<b>639,025.37</b>	<b>10,415.00</b>	<b>649,440.37</b>	<b>461,088.57</b>	<b>188,351.80</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	\$ 456,050.70	\$ (20,000.00)	\$ 436,050.70	\$ 374,966.81	\$ 61,083.89
Salaries of Secretarial and Clerical Assistants	186,055.02	(20,000.00)	166,055.02	161,268.37	4,786.65
Other Salaries	1,400.00		1,400.00		1,400.00
Purchased Professional - Educational Services	15,000.00	50,000.00	65,000.00	56,534.25	8,465.75
Other Purchased Professional and Technical Services	25,000.00	(21,250.00)	3,750.00	3,311.11	438.89
Other Professional Services	4,353.00	(370.00)	3,983.00	3,976.36	6.64
Miscellaneous Purchased Services		370.00	370.00	335.00	35.00
Supplies and Materials	51,918.11	1,550.00	53,468.11	53,290.23	177.88
Other Objects	500.00		500.00	449.17	50.83
<b>Total - Other Support Services - Students - Special Services</b>	<b>740,276.83</b>	<b>(9,700.00)</b>	<b>730,576.83</b>	<b>654,131.30</b>	<b>76,445.53</b>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	395,123.00	36,499.99	431,622.99	428,841.30	2,781.69
Salaries of Other Professional Staff	105,020.00	(1,500.00)	103,520.00	100,809.12	2,710.88
Salaries of Secretarial and Clerical Assistants	35,534.00	(35,000.00)	534.00		534.00
Other Salaries	74,360.00	(4,600.00)	69,760.00	55,191.44	14,568.56
Salaries of Facilitators, Math & Literacy Coaches	99,200.56	4,200.00	103,400.56	99,525.16	3,875.40
Purchased Professional - Educational Services	1,300.00	400.00	1,700.00	676.50	1,023.50
Other Purchased Services	9,356.00	(5,076.25)	4,279.75	2,035.75	2,244.00
Supplies and Materials	16,705.00	(3,700.00)	13,005.00	11,593.66	1,411.34
Other Objects	5,000.00	(1,000.00)	4,000.00	3,686.00	314.00
<b>Total - Improvement of Instruction Services</b>	<b>741,598.56</b>	<b>(9,776.26)</b>	<b>731,822.30</b>	<b>702,358.93</b>	<b>29,463.37</b>
Educational Media Services/School Library:					
Salaries	245,115.07	12,899.99	258,015.06	242,362.37	15,652.69
Salaries of Technology Coordinators	143,677.00		143,677.00	142,571.76	1,105.24
Purchased Professional and Technical Services	10,769.00	(300.00)	10,469.00	5,580.76	4,888.24
Other Purchased Services	12,947.00		12,947.00	9,343.07	3,603.93
Supplies and Materials	34,447.42		34,447.42	12,073.85	22,373.57
Other Objects	250.00		250.00		250.00
<b>Total - Educational Media Services/School Library</b>	<b>447,205.49</b>	<b>12,599.99</b>	<b>459,805.48</b>	<b>411,931.81</b>	<b>47,873.67</b>
Instructional Staff Training Services:					
Purchased Professional - Educational Services	41,000.00	(17,060.00)	23,940.00	16,066.78	7,873.22
Other Purchased Services	21,000.00	(3,009.26)	17,990.74	6,180.10	11,810.64
Supplies and Materials	1,750.00	3,009.26	4,759.26	3,040.51	1,718.75
<b>Total - Instructional Staff Training Services</b>	<b>63,750.00</b>	<b>(17,060.00)</b>	<b>46,690.00</b>	<b>25,287.39</b>	<b>21,402.61</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 235,629.00	\$ 1,460.00	\$ 237,089.00	\$ 237,082.56	\$ 6.44
Legal Services	55,000.00	23,800.00	78,800.00	78,785.75	14.25
Audit Fees	49,000.00	(6,600.00)	42,400.00	42,400.00	
Architectural/Engineering Services	2,500.00	(2,500.00)			
Other Purchased Professional Services	15,342.50	19,121.56	34,464.06	27,075.94	7,388.12
Purchase Professional Services- Tech Services	14,321.56	(14,321.56)			
Communications/Telephone/ Postage	75,000.00	(18,000.00)	57,000.00	56,994.16	5.84
BOE Other Purchased Services	8,000.00	(5,600.00)	2,400.00	2,350.48	49.52
Other Purchased Services	82,886.00	17,355.00	100,241.00	100,191.32	49.68
General Supplies	4,000.00	(850.00)	3,150.00	2,988.82	161.18
BOE In-House Training / Meeting Supplies	5,000.00	(3,000.00)	2,000.00	1,937.50	62.50
Judgments Against the School District	30,000.00	120,000.00	150,000.00	150,000.00	
Miscellaneous Expenditures	3,000.00	3,956.50	6,956.50	6,956.50	
BOE Membership Dues and Fees	15,000.00	(3,450.00)	11,550.00	11,530.30	19.70
<b>Total - Support Services General Administration</b>	<b>594,679.06</b>	<b>131,371.50</b>	<b>726,050.56</b>	<b>718,293.33</b>	<b>7,757.23</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	831,803.00	(64,950.00)	766,853.00	764,808.82	2,044.18
Salaries of Other Professional Staff	265,668.00	5,260.00	270,928.00	266,716.80	4,211.20
Salaries of Secretarial and Clerical Assistants	291,394.48	(2,730.10)	288,664.38	270,744.35	17,920.03
Other Purchased Services	16,360.00	8,035.35	24,395.35	20,773.87	3,621.48
Supplies and Materials	21,187.92	14,261.00	35,448.92	31,968.18	3,480.74
Other Objects	12,750.00	(400.00)	12,350.00	11,318.84	1,031.16
<b>Total - Support Services School Administration</b>	<b>1,439,163.40</b>	<b>(40,523.75)</b>	<b>1,398,639.65</b>	<b>1,366,330.86</b>	<b>32,308.79</b>
Central Services:					
Salaries	396,749.00	1,333.00	398,082.00	398,082.00	
Purchased Professional Services	12,750.00	(4,893.43)	7,856.57	3,963.59	3,892.98
Purchased Technical Services	19,450.00	971.00	20,421.00	20,171.00	250.00
Miscellaneous Purchased Services	15,468.00	(421.57)	15,046.43	13,913.03	1,133.40
Supplies and Materials	11,020.84	5,711.00	16,731.84	16,731.84	
Miscellaneous Expenditures	2,500.00	(800.00)	1,700.00	1,090.00	610.00
<b>Total - Central Services</b>	<b>457,937.84</b>	<b>1,900.00</b>	<b>459,837.84</b>	<b>453,951.46</b>	<b>5,886.38</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Administrative Information Technology:					
Purchased Professional Services	\$ 20,000.00	\$ (10,822.48)	\$ 9,177.52	\$ 9,130.30	\$ 47.22
Purchased Technical Services	61,595.00	39,592.80	101,187.80	91,872.80	9,315.00
Other Purchased Services	2,072.00	(825.00)	1,247.00	165.44	1,081.56
Supplies and Materials	5,000.00	24,248.67	29,248.67	21,319.37	7,929.30
Other Objects	500.00		500.00		500.00
<b>Total - Administrative Information Technology</b>	<b>89,167.00</b>	<b>52,193.99</b>	<b>141,360.99</b>	<b>122,487.91</b>	<b>18,873.08</b>
Required Maintenance for School Facilities:					
Salaries	305,484.89	10,299.00	315,783.89	214,874.87	100,909.02
Cleaning, Repair & Maintenance Services	1,382,627.17	121,831.17	1,504,458.34	841,137.85	663,320.49
Lead Testing of Drinking Water	7,605.55	1,780.00	9,385.55	5,870.55	3,515.00
General Supplies	138,526.74	(111,000.00)	27,526.74	24,300.40	3,226.34
<b>Total - Required Maintenance for School Facilities</b>	<b>1,834,244.35</b>	<b>22,910.17</b>	<b>1,857,154.52</b>	<b>1,086,183.67</b>	<b>770,970.85</b>
Other Operation and Maintenance of Plant Services:					
Salaries	1,098,885.35	250.00	1,099,135.35	1,024,512.45	74,622.90
Salaries of Non-Instructional Aides	77,721.98		77,721.98	1,869.98	75,852.00
Purchased Professional and Technical Services	100,775.70	(40,531.00)	60,244.70	57,374.00	2,870.70
Cleaning, Repair and Maintenance Services	115,439.36	(29,184.00)	86,255.36	62,407.57	23,847.79
Other Purchased Property Services	75,000.00	9,284.00	84,284.00	82,997.74	1,286.26
Insurance	281,021.00	40,531.00	321,552.00	317,122.00	4,430.00
Miscellaneous Purchased Services	7,465.00	(4,436.00)	3,029.00	2,998.94	30.06
General Supplies	274,230.80	(80,014.99)	194,215.81	156,921.29	37,294.52
Energy (Natural Gas)	185,000.00	50,080.00	235,080.00	211,363.95	23,716.05
Energy (Electricity)	485,000.00	6,820.00	491,820.00	480,380.43	11,439.57
Other Objects	1,000.00		1,000.00	605.00	395.00
ESIP Interest Payment	122,125.00	(5,000.00)	117,125.00	112,137.50	4,987.50
ESIP Principal Payment	395,000.00	(5,000.00)	390,000.00	390,000.00	
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>3,218,664.19</b>	<b>(57,200.99)</b>	<b>3,161,463.20</b>	<b>2,900,690.85</b>	<b>260,772.35</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	222,377.06		222,377.06	150,095.49	72,281.57
Purchased Professional and Technical Services	5,000.00	(5,000.00)			
Cleaning, Repair and Maintenance Services	55,500.00	2,919.23	58,419.23	58,418.00	1.23
General Supplies	48,500.00	47,640.77	96,140.77	82,497.20	13,643.57
Other Objects	2,200.00	(665.00)	1,535.00		1,535.00
<b>Total - Care &amp; Upkeep of Grounds</b>	<b>333,577.06</b>	<b>44,895.00</b>	<b>378,472.06</b>	<b>291,010.69</b>	<b>87,461.37</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Undistributed Expenditures - Security					
Purchased Professional and Technical Services	\$ 186,226.72	\$ 31,155.83	\$ 217,382.55	\$ 216,245.35	\$ 1,137.20
Total - Security	<u>186,226.72</u>	<u>31,155.83</u>	<u>217,382.55</u>	<u>216,245.35</u>	<u>1,137.20</u>
Student Transportation Services:					
Salaries of Non-Instructional Aids	56,600.00		56,600.00	46,263.66	10,336.34
Salaries for Pupil Transportation (Between Home & School) - Regular	328,919.00	13,006.00	341,925.00	293,395.70	48,529.30
Salaries for Pupil Transportation (Between Home & School) - Special Education	148,875.00	86,121.30	234,996.30	201,083.38	33,912.92
Management Fee - ESC & CTSA Transportation Program	43,934.00	36,000.00	79,934.00	70,945.23	8,988.77
Other Purchased Professional and Technical Services	1,500.00	8,836.00	10,336.00	9,753.05	582.95
Cleaning, Repair and Maintenance Services	40,000.00	37,525.00	77,525.00	77,524.91	0.09
Lease Purchase Payments - School Buses	128,000.00	(1,300.00)	126,700.00	66,680.04	60,019.96
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	90,000.00	(58,749.80)	31,250.20	31,003.44	246.76
Contracted Services - Aid in Lieu Payments - Charter School	8,000.00	(5,000.00)	3,000.00	1,533.00	1,467.00
Contracted Services - Aid in Lieu Payments - Choice School	25,000.00	(16,800.00)	8,200.00	8,198.92	1.08
Contracted Services (Between Home & School) - Vendors	61,000.00	(53,370.00)	7,630.00	754.86	6,875.14
Contracted Services (Other Than Between Home & School) - Vendors	208,950.00	(141,450.00)	67,500.00	1,531.70	65,968.30
Contracted Services (Between Home & School) - Joint Agreements	10,000.00	(5,000.00)	5,000.00		5,000.00
Contracted Services (Special Education Students) - Vendors	28,210.00	(25,000.00)	3,210.00		3,210.00
Contracted Services (Special Education Students) - Joint Agreements	30,000.00	(20,000.00)	10,000.00		10,000.00
Contracted Services (Regular Education Students) - ESCs & CTSA	289,514.00	220,000.00	509,514.00	494,578.99	14,935.01
Contracted Services (Special Education Students) - ESCs & CTSA	826,671.00	(143,111.50)	683,559.50	659,111.44	24,448.06
Miscellaneous Purchased Services - Transportation	67,923.25	(40,038.50)	27,884.75	18,229.32	9,655.43
General Supplies	20,000.00		20,000.00	11,953.74	8,046.26
Transportation Supplies	250,000.00	(65,000.00)	185,000.00	82,497.77	102,502.23
Other Objects	1,000.00	(500.00)	500.00	200.00	300.00
Total - Student Transportation Services	<u>2,664,096.25</u>	<u>(173,831.50)</u>	<u>2,490,264.75</u>	<u>2,075,239.15</u>	<u>415,025.60</u>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 40,170.00		\$ 40,170.00	\$ 27,109.61	\$ 13,060.39
Social Security Contributions	488,326.65	\$ 98,000.00	586,326.65	525,143.08	61,183.57
TPAF Contributions - ERIP	59,740.00	(59,000.00)	740.00	740.00	739.00
Other Retirement Contributions - PERS	500,520.00	(4,000.00)	496,520.00	484,339.00	12,181.00
Other Retirement Contributions - ERIP	2,300.00		2,300.00		2,300.00
Unemployment Compensation	35,000.00	(35,000.00)			
Workers Compensation	310,109.00	158.02	310,267.02	252,566.00	57,701.02
Health Benefits	5,580,147.01	(106,505.02)	5,473,641.99	4,742,532.84	731,109.15
Tuition Reimbursements	70,000.00		70,000.00	27,438.96	42,561.04
Other Employee Benefits	340,000.00	21,000.00	361,000.00	322,424.33	38,575.67
Unused Sick Payment to Terminated/Retired Staff	102,346.00		102,346.00	10,000.00	92,346.00
	<u>7,528,658.66</u>	<u>(85,347.00)</u>	<u>7,443,311.66</u>	<u>6,391,554.82</u>	<u>1,051,756.84</u>
Total - Unallocated Benefits - Employee Benefits					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				5,627,402.00	(5,627,402.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				78,074.00	(78,074.00)
On-behalf TPAF Medical Contributions (non-budgeted)				1,498,815.00	(1,498,815.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,186.00	(2,186.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,197,075.96	(1,197,075.96)
	<u>-</u>		<u>-</u>	<u>8,403,552.96</u>	<u>(8,403,552.96)</u>
Total TPAF Contributions					
Total Undistributed Expenses	<u>22,550,583.86</u>	<u>(60,861.79)</u>	<u>22,489,722.07</u>	<u>27,668,562.99</u>	<u>(5,178,840.92)</u>
Interest Earned on Maintenance Reserve	<u>500.00</u>		<u>500.00</u>	<u>-</u>	<u>500.00</u>
Total Expenditures - Current Expense	<u>42,749,366.66</u>	<u>(502,124.20)</u>	<u>42,247,242.46</u>	<u>45,142,542.56</u>	<u>(2,895,300.10)</u>
CAPITAL OUTLAY:					
Capital Reserve					
Interest Deposit to Capital Reserve	<u>500.00</u>		<u>500.00</u>	<u>-</u>	<u>500.00</u>

(Continued)



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY (CONT'D):					
Equipment:					
Grades 1-5	\$ 40,236.00	\$ 58,521.00	\$ 98,757.00	\$ 98,757.00	
Grades 6-8		29,260.50	29,260.50	29,260.50	
Grades 9-12	15,840.00	41,540.45	57,380.45	54,894.22	\$ 2,486.23
Undistributed Expenditures - Custodial Services	324,453.46		324,453.46	318,431.46	6,022.00
Undistributed Expenditures - Security	105,843.14	22,580.00	128,423.14	123,000.44	5,422.70
Undistributed Expenditures - Non-Instructional Service	276,855.55	15,518.85	292,374.40	292,374.40	
Total - Equipment	<u>763,228.15</u>	<u>250,715.80</u>	<u>1,013,943.95</u>	<u>1,000,013.02</u>	<u>13,930.93</u>
Facilities Acquisition and Construction Services:					
Construction Services	2,520,642.05	256,325.37	2,776,967.42	2,280,805.11	496,162.31
Assessment for Debt Service on SDA Funding	8,383.00		8,383.00	8,383.00	
Total - Facilities Acquisition and Construction Services	<u>2,529,025.05</u>	<u>256,325.37</u>	<u>2,785,350.42</u>	<u>2,289,188.11</u>	<u>496,162.31</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
General Administration	-	-	-	505,697.28	(505,697.28)
Total Capital Outlay	<u>3,292,753.20</u>	<u>507,041.17</u>	<u>3,799,794.37</u>	<u>3,794,898.41</u>	<u>4,895.96</u>
Transfer of Funds to Charter Schools	<u>63,622.00</u>	<u>(4,916.97)</u>	<u>58,705.03</u>	<u>32,173.00</u>	<u>26,532.03</u>
Total Expenditures	<u>46,105,741.86</u>	<u>-</u>	<u>46,105,741.86</u>	<u>48,969,613.97</u>	<u>(2,863,872.11)</u>

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (5,416,947.86)	-	\$ (5,416,947.86)	\$ 1,131,563.84	\$ 6,548,511.70
Other Financing Sources (Uses):					
Assets Acquired Under Leases (Non- Budgeted)				505,697.28	(505,697.28)
Transfers Out to Special Revenue Fund - Local Contribution	-		-	(29,997.00)	29,997.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,416,947.86)	-	(5,416,947.86)	1,607,264.12	7,024,211.98
Fund Balances, July 1	12,802,920.24		12,802,920.24	12,802,920.24	-
Fund Balances, June 30	\$ 7,385,972.38	-	\$ 7,385,972.38	\$ 14,410,184.36	\$ 7,024,211.98
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 1,216,366.58	
Capital Reserve -- Designated for Subsequent Years Expenditures				1,732,432.00	
Maintenance Reserve				2,185,919.87	
Maintenance Reserve -- Designated for Subsequent Years Expenditures				597,400.00	
Emergency Reserve				400,400.18	
Emergency Reserve -- Designated for Subsequent Years Expenditures					
Excess Surplus				4,097,007.31	
Excess Surplus -- Designated for Subsequent Years Expenditures				1,033,319.00	
Unemployment Compensation				181,300.86	
Assigned Fund Balance:					
Other Purposes				1,173,804.35	
Designated for Subsequent Years Expenditures				798,943.00	
Unassigned Fund Balance				993,291.21	
				14,410,184.36	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,093,800.80)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,316,383.56	

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
<b>Federal Sources:</b>					
Title I, Part A	\$ 426,750.00	\$ 154,237.15	\$ 580,987.15	\$ 506,329.36	\$ 74,657.79
Title I, Part A - SIA		10,000.00	10,000.00		10,000.00
Title II, Part A	50,991.00	25,115.00	76,106.00	61,148.00	14,958.00
Title III		20,334.00	20,334.00	6,982.07	13,351.93
Title III, Immigrant		4,685.00	4,685.00	2,115.52	2,569.48
I.D.E.A., Part B Basic	375,850.00	142,661.00	518,511.00	518,511.00	
I.D.E.A., Part B, Preschool Incentive		21,578.00	21,578.00	21,578.00	
CRRSA - ESSER II		1,191,164.59	1,191,164.59	296,253.38	894,911.21
CRSSA - Learning Acceleration		80,950.31	80,950.31	78,669.03	2,281.28
CRSSA - Mental Health		37,200.00	37,200.00	30,200.60	6,999.40
ARP IDEA BASIC		20,659.50	20,659.50	19,807.28	852.22
ARP IDEA Preschool		5,035.40	5,035.40	5,035.40	
ARP - ESSER III		3,786,028.50	3,786,028.50	710,813.95	3,075,214.55
ARP ESSER - Accelerated Learning		165,322.00	165,322.00	9,810.90	155,511.10
ARP ESSER - Summer Learning		40,000.00	40,000.00		40,000.00
ARP ESSER - Beyond School Day		40,000.00	40,000.00		40,000.00
ARP ESSER - NJTSS Mental Health		435,893.86	435,893.86	110,578.29	325,315.57
ARP Homeless II		28,730.00	28,730.00	28,730.00	
<b>Total - Federal Sources</b>	<b>853,591.00</b>	<b>6,209,594.31</b>	<b>7,063,185.31</b>	<b>2,406,562.78</b>	<b>4,656,622.53</b>
<b>State Sources:</b>					
Anti-Bullying Grant		89,665.00	89,665.00	89,665.00	
Emergency Capital Maintenance		562,860.00	821,052.00	617,352.50	203,699.50
Preschool Education Aid	258,192.00	6,660.00	6,660.00	6,653.19	6.81
Climate Awareness Education					
<b>Total - State Sources</b>	<b>258,192.00</b>	<b>659,185.00</b>	<b>917,377.00</b>	<b>713,670.69</b>	<b>203,706.31</b>
<b>Local Sources:</b>					
Revenue from Local Sources		93,329.51	93,329.51	34,625.34	58,704.17
Student Activities	210,000.00	30,000.00	240,000.00	237,383.36	2,616.64
Scholarship	3,000.00		3,000.00		3,000.00
<b>Total - Local Sources</b>	<b>213,000.00</b>	<b>123,329.51</b>	<b>336,329.51</b>	<b>272,008.70</b>	<b>64,320.81</b>
<b>Total Revenues</b>	<b>1,324,783.00</b>	<b>6,992,108.82</b>	<b>8,316,891.82</b>	<b>3,392,242.17</b>	<b>4,924,649.65</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 394,934.26	\$ 719,093.92	\$ 1,114,028.18	\$ 805,484.68	\$ 308,543.50
Other Salaries for Instruction	42,118.48	108,608.52	150,727.00	150,727.00	
Purchased Professional & Educational Services	1,100.63	74,449.37	75,550.00	12,596.00	62,954.00
Tuition	362,328.38	137,528.61	499,856.99	499,856.99	
General Supplies	48,202.39	971,043.30	1,019,245.69	309,260.65	709,985.04
Other Objects		45,935.48	45,935.48	14,602.30	31,333.18
<b>Total Instruction</b>	<b>848,684.14</b>	<b>2,056,659.20</b>	<b>2,905,343.34</b>	<b>1,792,527.62</b>	<b>1,112,815.72</b>
Support Services:					
Salaries of Supervisors of Instruction	23,662.31	209,661.88	233,324.19	101,409.94	131,914.25
Other Salaries		120,624.00	120,624.00	63,186.18	57,437.82
Personal Services - Employee Benefits	143,964.35	227,139.26	371,103.61	295,342.59	75,761.02
Purchased Professional & Technical Services	59,987.32	941,737.60	1,001,724.92	590,309.83	411,415.09
Cleaning, Repair and Maintenance Services	692.77	91,175.23	91,868.00	89,665.00	2,203.00
Other Purchased Professional Services	17,224.35	208,226.65	225,451.00	105,403.60	120,047.40
Contracted Services - (Between Home and School)	14,004.38	(14,004.38)			
Supplies and Materials	3,563.38	139,568.47	143,131.85	51,101.63	92,030.22
Student Activities	210,000.00	30,000.00	240,000.00	239,433.02	566.98
Scholarship Awards	3,000.00		3,000.00		3,000.00
<b>Total Support Services</b>	<b>476,098.86</b>	<b>1,954,128.71</b>	<b>2,430,227.57</b>	<b>1,535,851.79</b>	<b>894,375.78</b>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	2,981,320.91	2,981,320.91	95,909.42	2,885,411.49
<b>Total Expenditures</b>	<b>1,324,783.00</b>	<b>6,992,108.82</b>	<b>8,316,891.82</b>	<b>3,424,288.83</b>	<b>4,892,602.99</b>
Other Financing Sources (Uses):					
Transfers from/(to) General Fund	-	-		29,997.00	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,049.66)</b>	<b>\$ 32,046.66</b>
Fund Balance, July 1				187,467.80	
Fund Balance, June 30				<b>\$ 185,418.14</b>	
Recapitulation:					
Restricted:					
Scholarships				\$ 1,278.01	
Student Activities				184,140.13	
				185,418.14	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2023 Last State Aid Payments not recongnized on GAAP Basis				(80,743.20)	
Preschool Education Aid Carryover				216,882.14	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 321,557.08</b>	

**BOROUGH OF PINE HILL 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.

	General Fund	Special Revenue Fund
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 50,101,177.81	\$ 3,392,242.17
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		1,624,199.89
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		190,086.31
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	1,976,410.00	12,633.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2023.	<u>(2,093,800.80)</u>	<u>(80,743.20)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 49,983,787.01</u>	<u>\$ 5,138,418.17</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 48,969,613.97	\$ 3,424,288.83
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>1,624,199.89</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 48,969,613.97</u>	<u>\$ 5,048,488.72</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Ten Plan Years

	<b>Measurement Date Ending June 30,</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
School District's Proportion of the Net Pension Liability	0.0384076571%	0.0369196490%	0.0381316483%	0.0363359746%	0.0391715131%
School District's Proportionate Share of the Net Pension Liability	\$ 5,796,244.00	\$ 4,373,686.00	\$ 6,218,275.00	\$ 6,547,191.00	\$ 7,712,676.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,915,672.00	\$ 2,812,556.00	\$ 2,871,384.00	\$ 2,738,076.00	\$ 2,837,804.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	198.80%	155.51%	216.56%	239.12%	271.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0412875439%	0.0422618231%	0.0444215275%	0.0449773759%	0.0455259852%
School District's Proportionate Share of the Net Pension Liability	\$ 9,611,080.00	\$ 12,516,740.00	\$ 9,971,743.00	\$ 8,420,995.00	\$ 8,700,920.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,951,796.00	\$ 3,043,724.00	\$ 3,106,124.00	\$ 3,264,788.00	\$ 3,279,480.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	325.60%	411.23%	321.03%	257.93%	265.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years

	<b>Fiscal Year Ended June 30,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Contractually Required Contribution	\$ 483,984.00	\$ 484,339.00	\$ 432,372.00	\$ 417,141.00	\$ 353,442.00
Contributions in Relation to the Contractually Required Contribution	<u>(483,984.00)</u>	<u>(484,339.00)</u>	<u>(432,372.00)</u>	<u>(417,141.00)</u>	<u>(353,442.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,883,861.00	\$ 2,781,016.00	\$ 2,670,297.00	\$ 2,703,889.00	\$ 2,722,650.00
Contributions as a Percentage of School District's Covered Payroll	16.78%	17.42%	16.19%	15.43%	12.98%
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 389,630.00	\$ 382,485.00	\$ 375,448.00	\$ 381,906.00	\$ 370,787.00
Contributions in Relation to the Contractually Required Contribution	<u>(389,630.00)</u>	<u>(382,485.00)</u>	<u>(375,448.00)</u>	<u>(381,906.00)</u>	<u>(370,787.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,583,099.00	\$ 2,743,057.00	\$ 2,810,170.00	\$ 2,855,519.00	\$ 3,011,121.00
Contributions as a Percentage of School District's Covered Payroll	15.08%	13.94%	13.36%	13.37%	12.31%



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>69,525,146.00</u>	<u>65,856,484.00</u>	<u>88,048,162.00</u>	<u>83,170,330.00</u>	<u>87,994,126.00</u>
	<u>\$ 69,525,146.00</u>	<u>\$ 65,856,484.00</u>	<u>\$ 88,048,162.00</u>	<u>\$ 83,170,330.00</u>	<u>\$ 87,994,126.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 18,429,184.00	\$ 18,090,792.00	\$ 17,630,336.00	\$ 16,954,380.00	\$ 16,862,604.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	377.26%	364.03%	499.41%	490.55%	521.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>95,533,967.00</u>	<u>109,294,057.00</u>	<u>93,953,229.00</u>	<u>80,661,319.00</u>	<u>79,096,782.00</u>
	<u>\$ 95,533,967.00</u>	<u>\$ 109,294,057.00</u>	<u>\$ 93,953,229.00</u>	<u>\$ 80,661,319.00</u>	<u>\$ 79,096,782.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 17,023,336.00	\$ 17,054,848.00	\$ 16,600,632.00	\$ 17,514,144.00	\$ 17,285,724.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	561.19%	640.84%	565.96%	460.55%	457.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Required Supplementary Information - Part III  
Schedule of the School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

---

This schedule is not applicable.

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

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2023

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

***Changes in Benefit Terms:***

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

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

***Changes in Benefit Terms:***

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION  
PART IV

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios  
 Last Six Plan Years

	Measurement Date Ending June 30,					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>						
Changes for the Year:						
Service Cost	\$ 4,003,624.00	\$ 4,707,364.00	\$ 2,562,143.00	\$ 2,472,385.00	\$ 2,788,378.00	\$ 3,368,405.00
Interest Cost	2,196,295.00	2,551,080.00	2,486,245.00	3,071,889.00	3,293,035.00	2,861,233.00
Changes in Benefit Terms		(104,672.00)				
Differences Between Expected and Actual Experience	2,672,110.00	(19,258,371.00)	19,215,340.00	(13,027,087.00)	(7,391,239.00)	
Changes in Assumptions	(22,232,124.00)	97,021.00	20,512,127.00	1,034,955.00	(8,942,696.00)	(12,049,344.00)
Gross Benefit Payments	69,791.00	65,219.00	(1,954,934.00)	(2,130,776.00)	(2,083,783.00)	(2,089,058.00)
Member Contributions	(2,175,495.00)	(2,009,536.00)	59,254.00	63,162.00	72,019.00	76,924.00
Net Change in Total Non-Employer OPEB Liability	(15,465,799.00)	(13,951,895.00)	42,880,175.00	(8,515,472.00)	(12,264,286.00)	(7,831,840.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	98,341,402.00	112,293,297.00	69,413,122.00	77,928,594.00	90,192,880.00	98,024,720.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 82,875,603.00</u>	<u>\$ 98,341,402.00</u>	<u>\$ 112,293,297.00</u>	<u>\$ 69,413,122.00</u>	<u>\$ 77,928,594.00</u>	<u>\$ 90,192,880.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 18,100,391.00</u>	<u>\$ 17,838,613.00</u>	<u>\$ 17,901,468.00</u>	<u>\$ 17,648,348.00</u>	<u>\$ 16,752,117.00</u>	<u>\$ 16,974,208.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	457.87%	551.28%	627.29%	393.31%	465.19%	531.35%

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.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Required Supplementary Information - Part IV  
 Notes to Required Supplementary Information - Part IV  
 For the Fiscal Year Ended June 30, 2023

---

***Changes in Benefit Terms:***

None.

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

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 is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	E.S.S.A					Total Brought Forward
	Total	Title I, Part A Grants to Local Educational Agencies	Supporting Effective Instruction State Grants (Title II, Part A) ESSA	English Language Acquisition (Title III)	English Language Acquisition (Title III Immigrant)	
<b>REVENUES:</b>						
Federal Sources	\$ 2,406,562.78	\$ 506,329.36	\$ 61,148.00	\$ 6,982.07	\$ 2,115.52	\$ 1,829,987.83
State Sources	713,670.69					713,670.69
Local Sources	272,008.70					272,008.70
<b>Total Revenues</b>	<b>3,392,242.17</b>	<b>506,329.36</b>	<b>61,148.00</b>	<b>6,982.07</b>	<b>2,115.52</b>	<b>2,815,667.22</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	805,484.68	366,862.90	33,376.00	468.75		404,777.03
Other Salaries for Instruction	150,727.00					150,727.00
Purchased Professional & Educational Services	12,596.00					12,596.00
Tuition	499,856.99					499,856.99
General Supplies	309,260.65	2,526.49		4,287.72	2,115.52	300,330.92
Other Objects	14,602.30					14,602.30
<b>Total Instruction</b>	<b>1,792,527.62</b>	<b>369,389.39</b>	<b>33,376.00</b>	<b>4,756.47</b>	<b>2,115.52</b>	<b>1,382,890.24</b>
<b>Support Services:</b>						
Salaries of Supervisors of Instruction	101,409.94	1,770.39		468.75		99,170.80
Other Salaries	63,186.18					63,186.18
Personal Services - Employee Benefits	295,342.59	131,595.83	17,022.00			146,724.76
Purchased Professional & Technical Services	590,309.83		10,750.00	251.25		579,308.58
Cleaning, Repair and Maintenance Services	89,665.00					89,665.00
Other Purchased Services	105,403.60			1,290.60		104,113.00
Supplies and Materials	51,101.63	3,573.75		215.00		47,312.88
Student Activities	239,433.02					239,433.02
<b>Total Support Services</b>	<b>1,535,851.79</b>	<b>136,939.97</b>	<b>27,772.00</b>	<b>2,225.60</b>	<b>-</b>	<b>1,368,914.22</b>
<b>Facilities Acquisition and Construction Services:</b>						
Non-Instructional Equipment	95,909.42	-	-	-	-	95,909.42
<b>Total Capital Outlay</b>	<b>95,909.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,909.42</b>
<b>Total Expenditures</b>	<b>3,424,288.83</b>	<b>506,329.36</b>	<b>61,148.00</b>	<b>6,982.07</b>	<b>2,115.52</b>	<b>2,847,713.88</b>
<b>Other Financing Sources (Uses):</b>						
Transfers from/(to) General Fund	29,997.00	-	-	-	-	29,997.00
<b>Total Expenditures and Other Financing Sources (Uses)</b>	<b>3,394,291.83</b>	<b>506,329.36</b>	<b>61,148.00</b>	<b>6,982.07</b>	<b>2,115.52</b>	<b>2,817,716.88</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,049.66)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,049.66)</b>
<b>Fund Balance, July 1</b>	<b>187,467.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,467.80</b>
<b>Fund Balance, June 30</b>	<b>\$ 185,418.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 185,418.14</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	I.D.E.A. Part B						Total Brought Forward
	Total Carried Forward	Special Education Grants to States (IDEA Basic)	Special Education Preschool Grants (IDEA Preschool)	ARP IDEA Basic	ARP IDEA Preschool	ESSER II	
<b>REVENUES:</b>							
Federal Sources	\$ 1,829,987.83	\$ 518,511.00	\$ 21,578.00	\$ 19,807.28	\$ 5,035.40	\$ 296,253.38	\$ 968,802.77
State Sources	713,670.69						713,670.69
Local Sources	272,008.70						272,008.70
<b>Total Revenues</b>	<b>2,815,667.22</b>	<b>518,511.00</b>	<b>21,578.00</b>	<b>19,807.28</b>	<b>5,035.40</b>	<b>296,253.38</b>	<b>1,954,482.16</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	404,777.03					123,562.23	281,214.80
Other Salaries for Instruction	150,727.00		16,790.00				133,937.00
Purchased Professional & Educational Services	12,596.00					12,050.00	546.00
Tuition	499,856.99	499,856.99					
General Supplies	300,330.92	18,654.01	3,504.00	19,807.28	5,035.40	11,377.42	241,952.81
Other Objects	14,602.30					13,102.30	1,500.00
<b>Total Instruction</b>	<b>1,382,890.24</b>	<b>518,511.00</b>	<b>20,294.00</b>	<b>19,807.28</b>	<b>5,035.40</b>	<b>160,091.95</b>	<b>659,150.61</b>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction	99,170.80					37,274.80	61,896.00
Other Salaries	63,186.18						63,186.18
Personal Services - Employee Benefits	146,724.76		1,284.00			21,902.00	123,538.76
Purchased Professional & Technical Services	579,308.58					61,588.06	517,720.52
Cleaning, Repair and Maintenance Services	89,665.00						89,665.00
Other Purchased Services	104,113.00						104,113.00
Supplies and Materials	47,312.88					5,932.57	41,380.31
Student Activities	239,433.02						239,433.02
<b>Total Support Services</b>	<b>1,368,914.22</b>	<b>-</b>	<b>1,284.00</b>	<b>-</b>	<b>-</b>	<b>126,697.43</b>	<b>1,240,932.79</b>
<b>Facilities Acquisition and Construction Services:</b>							
Non-Instructional Equipment	95,909.42	-	-	-	-	9,464.00	86,445.42
<b>Total Capital Outlay</b>	<b>95,909.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,464.00</b>	<b>86,445.42</b>
<b>Total Expenditures</b>	<b>2,847,713.88</b>	<b>518,511.00</b>	<b>21,578.00</b>	<b>19,807.28</b>	<b>5,035.40</b>	<b>296,253.38</b>	<b>1,986,528.82</b>
<b>Other Financing Sources (Uses):</b>							
Transfers from/(to) General Fund	29,997.00	-	-	-	-	-	29,997.00
<b>Total Expenditures and Other Financing Sources (Uses)</b>	<b>2,817,716.88</b>	<b>518,511.00</b>	<b>21,578.00</b>	<b>19,807.28</b>	<b>5,035.40</b>	<b>296,253.38</b>	<b>1,956,531.82</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,049.66)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,049.66)</b>
Fund Balance, July 1	187,467.80	-	-	-	-	-	187,467.80
Fund Balance, June 30	\$ 185,418.14	-	-	-	-	-	\$ 185,418.14

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	Total Carried Forward	ESSER II		CRSSA - ARP			Total Brought Forward
		Learning Acceleration Grant	Mental Health	CRSSA ESSER III	NJTSS Mental Health	Accelerated Learning	
<b>REVENUES:</b>							
Federal Sources	\$ 968,802.77	\$ 78,669.03	\$ 30,200.60	\$ 710,813.95	\$ 110,578.29	9,810.90	\$ 28,730.00
State Sources	713,670.69						713,670.69
Local Sources	272,008.70						272,008.70
<b>Total Revenues</b>	<b>1,954,482.16</b>	<b>78,669.03</b>	<b>30,200.60</b>	<b>710,813.95</b>	<b>110,578.29</b>	<b>9,810.90</b>	<b>1,014,409.39</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	281,214.80	58,750.54		10,152.37			212,311.89
Other Salaries for Instruction	133,937.00						133,937.00
Purchased Professional & Educational Services	546.00						546.00
Tuition							
General Supplies	241,952.81	11,908.49		148,651.94			81,392.38
Other Objects	1,500.00	1,500.00					
<b>Total Instruction</b>	<b>659,150.61</b>	<b>72,159.03</b>	<b>-</b>	<b>158,804.31</b>	<b>-</b>	<b>-</b>	<b>428,187.27</b>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction	61,896.00				61,896.00		
Other Salaries	63,186.18			63,186.18			
Personal Services - Employee Benefits	123,538.76	6,510.00			40,015.76		77,013.00
Purchased Professional & Technical Services	517,720.52		30,200.60	307,633.50	480.00	7,500.00	171,906.42
Cleaning, Repair and Maintenance Services	89,665.00						89,665.00
Other Purchased Services	104,113.00			71,116.00	4,267.00		28,730.00
Supplies and Materials	41,380.31			23,628.54	3,919.53	2,310.90	11,521.34
Student Activities	239,433.02						239,433.02
<b>Total Support Services</b>	<b>1,240,932.79</b>	<b>6,510.00</b>	<b>30,200.60</b>	<b>465,564.22</b>	<b>110,578.29</b>	<b>9,810.90</b>	<b>618,268.78</b>
<b>Facilities Acquisition and Construction Services:</b>							
Non-Instructional Equipment	86,445.42	-	-	86,445.42	-	-	-
<b>Total Capital Outlay</b>	<b>86,445.42</b>	<b>-</b>	<b>-</b>	<b>86,445.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,986,528.82</b>	<b>78,669.03</b>	<b>30,200.60</b>	<b>710,813.95</b>	<b>110,578.29</b>	<b>9,810.90</b>	<b>1,046,456.05</b>
<b>Other Financing Sources (Uses):</b>							
Transfers from/(to) General Fund	29,997.00	-	-	-	-	-	29,997.00
<b>Total Expenditures and Other Financing Sources (Uses)</b>	<b>1,956,531.82</b>	<b>78,669.03</b>	<b>30,200.60</b>	<b>710,813.95</b>	<b>110,578.29</b>	<b>9,810.90</b>	<b>1,016,459.05</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,049.66)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,049.66)</b>
<b>Fund Balance, July 1</b>	<b>187,467.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,467.80</b>
<b>Fund Balance, June 30</b>	<b>\$ 185,418.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 185,418.14</b>

(Continued)

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	Total Carried Forward	CRSSA - ARP						Student Activities
		ARP Homeless Children	Preschool Education Aid	Climate Awareness Grant	Emergent Capital Maintenance Grant	Local Grants	Scholarship	
<b>REVENUES:</b>								
Federal Sources	\$ 28,730.00	\$ 28,730.00						
State Sources	713,670.69		\$ 617,352.50	\$ 6,653.19	\$ 89,665.00			
Local Sources	272,008.70					\$ 34,625.34		\$ 237,383.36
<b>Total Revenues</b>	<b>1,014,409.39</b>	<b>28,730.00</b>	<b>617,352.50</b>	<b>6,653.19</b>	<b>89,665.00</b>	<b>34,625.34</b>	<b>-</b>	<b>237,383.36</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	212,311.89		212,311.89					
Other Salaries for Instruction	133,937.00		133,937.00					
Purchased Professional & Educational Services	546.00		546.00					
Tuition								
General Supplies	81,392.38		53,260.19	6,653.19		21,479.00		
Other Objects								
<b>Total Instruction</b>	<b>428,187.27</b>	<b>-</b>	<b>400,055.08</b>	<b>6,653.19</b>	<b>-</b>	<b>21,479.00</b>	<b>-</b>	<b>-</b>
<b>Support Services:</b>								
Salaries of Supervisors of Instruction								
Other Salaries								
Personal Services - Employee Benefits	77,013.00		75,388.00			1,625.00		
Purchased Professional & Technical Services	171,906.42		171,906.42					
Cleaning, Repair and Maintenance Services	89,665.00				89,665.00			
Other Purchased Services	28,730.00	28,730.00						
Supplies and Materials	11,521.34					11,521.34		
Student Activities	239,433.02							239,433.02
<b>Total Support Services</b>	<b>618,268.78</b>	<b>28,730.00</b>	<b>247,294.42</b>	<b>-</b>	<b>89,665.00</b>	<b>13,146.34</b>	<b>-</b>	<b>239,433.02</b>
<b>Facilities Acquisition and Construction Services:</b>								
Non-Instructional Equipment	-		-					
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,046,456.05</b>	<b>28,730.00</b>	<b>647,349.50</b>	<b>6,653.19</b>	<b>89,665.00</b>	<b>34,625.34</b>	<b>-</b>	<b>239,433.02</b>
<b>Other Financing Sources (Uses):</b>								
Transfers from/(to) General Fund	29,997.00	-	29,997.00	-	-	-	-	-
<b>Total Expenditures and Other Financing Sources (Uses)</b>	<b>1,016,459.05</b>	<b>28,730.00</b>	<b>617,352.50</b>	<b>6,653.19</b>	<b>89,665.00</b>	<b>34,625.34</b>	<b>-</b>	<b>239,433.02</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,049.66)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,049.66)</b>
<b>Fund Balance, July 1</b>	<b>187,467.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,278.01</b>	<b>186,189.79</b>
<b>Fund Balance, June 30</b>	<b>\$ 185,418.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,278.01</b>	<b>\$ 184,140.13</b>

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Special Revenue Fund  
 Schedule of Preschool Education Aid  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 319,099.34	\$ 212,311.89	\$ 106,787.45
Other Salaries for Instruction	138,830.37	133,937.00	4,893.37
Purchased Professional & Educational Services	3,627.88	546.00	3,081.88
General Supplies	<u>64,138.71</u>	<u>53,260.19</u>	<u>10,878.52</u>
<b>Total Instruction</b>	<u>525,696.30</u>	<u>400,055.08</u>	<u>125,641.22</u>
<b>Support Services:</b>			
Personal Services - Employee Benefits	78,142.30	75,388.00	2,754.30
Purchased Professional & Technical Services	197,729.40	171,906.42	25,822.98
Cleaning, Repair and Maintenance Services	2,283.50		2,283.50
Contracted Services - (Between Home and School)	46,161.02		46,161.02
Supplies and Materials	<u>1,036.49</u>		<u>1,036.49</u>
<b>Total Support Services</b>	<u>325,352.71</u>	<u>247,294.42</u>	<u>78,058.29</u>
<b>Total Expenditures</b>	<u>\$ 851,049.01</u>	<u>\$ 647,349.50</u>	<u>\$ 203,699.51</u>

Calculation of Budget and Carryover

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 807,432.00
Add: Actual ECPA Carryover (June 30, 2022)	26,795.83
Add: Budgeted Transfer from the General Fund 2022-2023	<u>29,997.00</u>
<b>Total Preschool Education Aid Funds Available for 2022-2023 Budget</b>	<b>864,224.83</b>
Less: 2022-2023 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(851,049.01)</u>
<b>Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023</b>	<b>13,175.82</b>
Add: 2022-2023 Unexpended Preschool Education Aid	203,699.51
Less: 2022-2023 Commissioner Approved Transfer to General Fund	<u>-</u>
<b>2022-2023 Carryover -- Preschool Education Aid</b>	<b>\$ 216,875.33</b>
<b>2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024</b>	<b>\$ 26,796.00</b>

PROPRIETARY FUNDS

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Proprietary Fund  
 Business Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2023

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 484,023.55
Accounts Receivable:	
State	1,519.48
Federal	36,613.10
Other	11,065.62
Inventories	<u>29,985.90</u>
Total Current Assets	<u>563,207.65</u>
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	1,090,665.56
Less Accumulated Depreciation	<u>(819,174.06)</u>
Total Noncurrent Assets	<u>271,491.50</u>
Total Assets	<u>834,699.15</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	121,754.19
Accounts Payable	5,994.31
Unearned Revenue	<u>7,872.14</u>
Total Liabilities	<u>135,620.64</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	271,491.50
Unrestricted	<u>427,587.01</u>
Total Net Position	<u>\$ 699,078.51</u>

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 163,437.41
School Breakfast Program	14,175.04
School Snack Program	106.75
Daily Sales - Non-Reimbursable Programs	111,802.23
Special Functions	<u>9,642.70</u>
Total Operating Revenues	<u>299,164.13</u>
<b>OPERATING EXPENSES:</b>	
Salaries	473,479.38
Employee Benefits	96,817.29
General Supplies	120,189.97
Depreciation	19,817.69
Cleaning, Repairs & Maintenance Services	145,998.37
Purchased Professional & Technical Services	5,000.00
Other Purchased Services	31,053.36
Cost of Sales - Reimbursable Programs	473,998.10
Cost of Sales - Non-Reimbursable Programs	85,238.00
Miscellaneous	<u>54,777.45</u>
Total Operating Expenses	<u>1,506,369.61</u>
Operating Income / (Loss)	<u>(1,207,205.48)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	20,734.09
State School Breakfast Program	3,216.90
State Breakfast After the Bell Program	8,636.90
Federal Sources:	
National School Lunch Program	587,208.98
After School Snack Program	22,717.80
National School Breakfast Program	187,076.24
Special Milk Program	79.33
Food Distribution Program	139,050.49
Supply Chain Assistance	97,347.91
Interest Revenue	<u>208.32</u>
Total Nonoperating Revenues (Expenses)	<u>1,066,276.96</u>
Change in Net Position	(140,928.52)
Net Position -- July 1	<u>840,007.03</u>
Net Position -- June 30	<u><u>\$ 699,078.51</u></u>



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 296,305.00
Payments to Employees	(473,479.38)
Payments for Employee Benefits	(96,817.29)
Payments for Supplies and Services	<u>(916,515.07)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,190,506.74)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	35,043.40
Federal Sources	1,242,493.66
Operating Subsidies and Transfers	<u>57,159.98</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,334,697.04</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(118,489.38)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>208.32</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,909.24
Cash and Cash Equivalents -- July 1	<u>458,114.31</u>
Cash and Cash Equivalents -- June 30	<u>\$ 484,023.55</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (1,207,205.48)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	19,817.69
(Increase) Decrease in Inventories	(6,254.13)
Increase (Decrease) in Accounts Payable	5,994.31
Increase (Decrease) in Unearned Revenue	2,544.32
(Increase) Decrease in Accounts Receivable	<u>(5,403.45)</u>
Total Adjustments	<u>16,698.74</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,190,506.74)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>	
Food Distribution Program	<u>\$ 139,050.49</u>

LONG-TERM DEBT

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2012 Energy Savings Improvement Program Energy Projects	12/15/12	\$ 3,260,000.00	12/15/23	\$ 240,000.00	2.750%	\$ 1,580,000.00		\$ 225,000.00	\$ 1,355,000.00
			12/15/24	255,000.00	3.000%				
			12/15/25	270,000.00	3.000%				
			12/15/26	285,000.00	3.125%				
			12/15/27	305,000.00	3.125%				
2012 Energy Savings Improvement Program Co-Gen Projects	12/15/12	3,210,000.00	12/15/23	175,000.00	2.750%	2,100,000.00		165,000.00	1,935,000.00
			12/15/24	185,000.00	3.000%				
			12/15/25	195,000.00	3.000%				
			12/15/26	205,000.00	3.125%				
			12/15/27	215,000.00	3.125%				
			12/15/28	170,000.00	3.500%				
			12/15/29	180,000.00	3.500%				
			12/15/30	190,000.00	4.000%				
			12/15/31	205,000.00	4.000%				
			12/15/32	215,000.00	4.000%				
						<u>\$ 3,680,000.00</u>	<u>-</u>	<u>\$ 390,000.00</u>	<u>\$ 3,290,000.00</u>
General Fund								<u>\$ 390,000.00</u>	

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Schedule of Obligations Under Leases  
 For the Fiscal Year Ended June 30, 2023

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2022</u>	<u>Additions Current Year</u>	<u>Deletions Current Year</u>	<u>Amount Outstanding June 30, 2023 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
Ricoh Copier Rental	07/25/22	4 Year	\$ 196,961.78	\$ 7,806.22	2.00%	-	\$ 196,961.78	\$ 48,022.67	\$ 148,939.11

(a) Interest has been removed from the amount outstanding.

STATISTICAL SECTION

## Financial Trends Information

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 23,646,029.88	\$ 19,496,148.03	\$ 17,936,998.00	\$ 16,664,670.40	\$ 16,934,118.08	\$ 14,558,366.74	\$ 11,561,739.84	\$ 8,396,746.59	\$ 6,636,829.31	\$ 5,538,817.85
Restricted	11,765,702.88	8,468,983.62	4,878,708.74	2,842,813.96	2,007,342.22	1,889,101.98	1,760,495.66	3,456,100.59	3,407,281.59	2,748,338.99
Unrestricted (Deficit)	<u>(6,720,822.79)</u>	<u>(6,114,572.80)</u>	<u>(5,944,075.68)</u>	<u>(6,468,986.32)</u>	<u>(9,723,072.34)</u>	<u>(9,467,305.64)</u>	<u>(8,738,783.57)</u>	<u>(9,776,017.85)</u>	<u>(10,833,279.84)</u>	<u>(2,461,226.05)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 28,690,909.97</u>	<u>\$ 21,850,558.85</u>	<u>\$ 16,871,631.06</u>	<u>\$ 13,038,498.04</u>	<u>\$ 9,218,387.96</u>	<u>\$ 6,980,163.08</u>	<u>\$ 4,583,451.93</u>	<u>\$ 2,076,829.33</u>	<u>\$ (789,168.94)</u>	<u>\$ 5,825,930.79</u>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 271,491.50	\$ 172,819.81	\$ 108,329.36	\$ 85,927.01	\$ 105,199.70	\$ 88,712.47	\$ 86,764.70	\$ 82,904.54	\$ 103,772.52	\$ 124,640.50
Unrestricted (Deficit)	<u>427,587.01</u>	<u>667,187.22</u>	<u>391,212.46</u>	<u>186,752.26</u>	<u>159,334.74</u>	<u>172,293.65</u>	<u>184,711.95</u>	<u>190,860.61</u>	<u>227,839.04</u>	<u>201,161.06</u>
<b>Total Business-type Activities Net Assets</b>	<u>\$ 699,078.51</u>	<u>\$ 840,007.03</u>	<u>\$ 499,541.82</u>	<u>\$ 272,679.27</u>	<u>\$ 264,534.44</u>	<u>\$ 261,006.12</u>	<u>\$ 271,476.65</u>	<u>\$ 273,765.15</u>	<u>\$ 331,611.56</u>	<u>\$ 325,801.56</u>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 23,917,521.38	\$ 19,668,967.84	\$ 18,045,327.36	\$ 16,750,597.41	\$ 17,039,317.78	\$ 14,647,079.21	\$ 11,648,504.54	\$ 8,479,651.13	\$ 6,740,601.83	\$ 5,663,458.35
Restricted	11,765,702.88	8,468,983.62	4,878,708.74	2,842,813.96	2,007,342.22	1,889,101.98	1,760,495.66	3,456,100.59	3,407,281.59	2,748,338.99
Unrestricted (Deficit)	<u>(6,293,235.78)</u>	<u>(5,447,385.58)</u>	<u>(5,552,863.22)</u>	<u>(6,282,234.06)</u>	<u>(9,563,737.60)</u>	<u>(9,295,011.99)</u>	<u>(8,554,071.62)</u>	<u>(9,585,157.24)</u>	<u>(10,605,440.80)</u>	<u>(2,260,064.99)</u>
<b>Total Government-wide Net Position</b>	<u>\$ 29,389,988.48</u>	<u>\$ 22,690,565.88</u>	<u>\$ 17,371,172.88</u>	<u>\$ 13,311,177.31</u>	<u>\$ 9,482,922.40</u>	<u>\$ 7,241,169.20</u>	<u>\$ 4,854,928.58</u>	<u>\$ 2,350,594.48</u>	<u>\$ (457,557.38)</u>	<u>\$ 6,151,732.35</u>

Source: Exhibit A-1

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 11,598,733.45	\$ 10,560,393.87	\$ 10,005,200.34	\$ 9,327,906.13	\$ 9,507,580.26	\$ 9,074,494.57	\$ 9,141,255.89	\$ 9,121,549.23	\$ 9,245,692.72	\$ 9,837,853.64
Special Education	4,833,957.83	4,412,593.70	4,634,817.84	4,020,494.90	4,112,737.11	3,857,629.04	3,942,051.17	3,804,832.85	4,011,383.51	4,147,991.57
Other Special Education	530,792.09	547,553.51	543,227.77	611,250.94	528,984.54	510,243.64	342,675.10	429,296.25	379,478.54	363,786.92
Other Instruction	1,123,417.15	1,169,249.00	911,183.50	1,100,010.72	1,117,553.28	1,043,663.32	1,044,461.70	602,210.24	644,922.54	602,570.22
Tuition	2,582,170.83	2,089,509.09	2,373,316.65	2,495,816.09	2,458,903.37	2,345,807.36	2,370,207.93	2,181,578.04	2,502,369.56	1,873,789.76
Support Services:										
Student and Instruction Related Services	4,380,970.55	3,967,399.54	3,329,086.38	3,363,798.41	3,240,183.74	3,259,666.00	3,159,527.92	2,891,311.03	3,480,610.94	3,413,941.96
School Administrative Services	1,544,495.12	1,412,745.00	1,342,298.02	1,275,951.63	1,258,293.08	1,217,652.05	1,213,888.52	1,224,717.83	1,246,654.19	1,204,866.29
Other Administrative Services	1,507,129.91	1,248,683.92	925,758.63	1,066,679.94	1,045,157.97	946,372.79	963,767.47	926,603.91	928,366.99	884,173.82
Plant Operations and Maintenance	4,002,148.42	3,869,898.96	4,083,949.90	4,252,921.80	4,033,747.18	3,552,222.00	3,365,361.45	3,022,817.83	3,051,042.16	3,234,003.40
Pupil Transportation	2,011,631.69	1,337,321.32	992,107.43	1,462,688.53	1,721,062.41	1,669,364.29	1,486,243.30	1,382,735.06	1,298,971.55	1,177,550.29
Unallocated Benefits	9,226,170.41	11,984,095.46	16,394,131.56	11,792,683.45	14,028,081.74	17,556,668.54	14,426,030.03	11,770,445.18	9,806,913.14	5,338,858.01
Reimbursed TPAF and Social Security	1,199,261.96	1,123,706.15	1,116,364.09	1,080,229.42	1,062,645.50	1,039,535.31	2,346,348.23	3,447,641.30	3,103,716.84	2,716,470.74
Transfer to Charter Schools	32,173.00	63,622.00	42,399.00	87,341.00	183,942.00	196,164.00	287,582.00	255,100.00	186,007.00	140,004.00
Payment of Bond Issue Costs										101,241.09
Interest on Long-term Debt	103,363.22	120,869.94	137,719.94	146,095.82	210,318.67	256,349.34	302,119.73	341,422.59	386,355.89	412,273.65
Unallocated Depreciation			1,082,754.88	787,669.40	466,081.26	505,846.61	542,731.77	543,809.98	556,076.55	698,057.81
<b>Total Governmental Activities Expenses</b>	<b>44,676,415.63</b>	<b>43,907,641.46</b>	<b>47,914,315.93</b>	<b>42,871,538.18</b>	<b>44,975,272.11</b>	<b>47,031,678.86</b>	<b>44,934,252.21</b>	<b>41,946,071.32</b>	<b>40,828,562.12</b>	<b>36,147,433.17</b>
Business-type Activities:										
Food Service	1,506,369.61	1,233,531.44	753,623.89	821,644.70	939,400.80	984,539.53	961,452.37	986,985.24	969,612.30	934,982.97
Parent Saver Program								60,433.94	228,991.97	202,874.40
Community Education and Recreation										12,636.37
<b>Total Business-type Activities Expense</b>	<b>1,506,369.61</b>	<b>1,233,531.44</b>	<b>753,623.89</b>	<b>821,644.70</b>	<b>939,400.80</b>	<b>984,539.53</b>	<b>961,452.37</b>	<b>1,047,419.18</b>	<b>1,198,604.27</b>	<b>1,150,493.74</b>
<b>Total Government Expenses</b>	<b>\$ 46,182,785.24</b>	<b>\$ 45,141,172.90</b>	<b>\$ 48,667,939.82</b>	<b>\$ 43,693,182.88</b>	<b>\$ 45,914,672.91</b>	<b>\$ 48,016,218.39</b>	<b>\$ 45,895,704.58</b>	<b>\$ 42,993,490.50</b>	<b>\$ 42,027,166.39</b>	<b>\$ 37,297,926.91</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services	\$ 7,213,289.23	\$ 6,328,325.13	\$ 5,971,369.08	\$ 5,566,732.56	\$ 5,262,195.53	\$ 4,995,449.30	\$ 4,810,686.62	\$ 4,787,981.02	\$ 5,150,244.12	\$ 5,606,727.70
Operating Grants and Contributions	7,442,472.92	9,352,522.71	13,473,300.32	8,354,650.50	10,591,320.69	13,952,081.91	11,930,971.76	10,521,765.84	8,902,227.44	4,039,097.10
Capital Grants and Contributions										
<b>Total Governmental Activities Program Revenues</b>	<b>14,655,762.15</b>	<b>15,680,847.84</b>	<b>19,444,669.40</b>	<b>13,921,383.06</b>	<b>15,853,516.22</b>	<b>18,947,531.21</b>	<b>16,741,658.38</b>	<b>15,309,746.86</b>	<b>14,052,471.56</b>	<b>9,645,824.80</b>
Business-Type Activities:										
Charges for Services										
Food Service	299,164.13	104,696.65	12,521.48	172,353.03	247,740.56	269,983.67	286,653.18	326,000.44	316,119.45	320,032.75
Parent Saver Program								1,009.88	226,702.76	237,565.18
Community Education										12,997.01
Operating Grants and Contributions	1,066,068.64	1,469,117.36	967,857.16	657,366.27	695,104.01	703,993.22	672,411.79	687,868.63	669,845.46	609,424.86
<b>Total Business-type Activities Program Revenues</b>	<b>1,365,232.77</b>	<b>1,573,814.01</b>	<b>980,378.64</b>	<b>829,719.30</b>	<b>942,844.57</b>	<b>973,976.89</b>	<b>959,064.97</b>	<b>1,014,878.95</b>	<b>1,212,667.67</b>	<b>1,180,019.80</b>
<b>Total Government Program Revenues</b>	<b>\$ 16,020,994.92</b>	<b>\$ 17,254,661.85</b>	<b>\$ 20,425,048.04</b>	<b>\$ 14,751,102.36</b>	<b>\$ 16,796,360.79</b>	<b>\$ 19,921,508.10</b>	<b>\$ 17,700,723.35</b>	<b>\$ 16,324,625.81</b>	<b>\$ 15,265,139.23</b>	<b>\$ 10,825,844.60</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities										
	\$ (30,020,653.48)	\$ (28,226,793.62)	\$ (28,469,646.53)	\$ (28,950,155.12)	\$ (29,121,755.89)	\$ (28,084,147.65)	\$ (28,192,593.83)	\$ (26,636,324.46)	\$ (26,776,090.56)	\$ (26,501,608.37)
Business-type Activities										
	(141,136.84)	340,282.57	226,754.75	8,074.60	3,443.77	(10,562.64)	(2,387.40)	(32,540.23)	14,063.40	29,526.06
<b>Total Government-wide Net Expense</b>	<b>\$ (30,161,790.32)</b>	<b>\$ (27,886,511.05)</b>	<b>\$ (28,242,891.78)</b>	<b>\$ (28,942,080.52)</b>	<b>\$ (29,118,312.12)</b>	<b>\$ (28,094,710.29)</b>	<b>\$ (28,194,981.23)</b>	<b>\$ (26,668,864.69)</b>	<b>\$ (26,762,027.16)</b>	<b>\$ (26,472,082.31)</b>

(Continued)



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,295,158.00	\$ 12,173,424.00	\$ 12,173,424.00	\$ 11,934,729.00	\$ 11,700,715.00	\$ 11,584,866.00	\$ 11,393,006.00	\$ 11,136,664.00	\$ 10,534,434.00	\$ 10,327,876.00
Taxes Levied for Debt Service					744,706.00	750,266.00	671,062.00	776,971.00	806,772.00	809,905.00
Federal and State Aid Not Restricted	21,880,869.50	20,599,259.21	19,536,703.28	18,870,005.07	18,026,772.96	17,179,675.73	16,762,482.36	16,658,770.28	16,661,076.15	645,670.32
Federal and State Aid Restricted	2,254,627.10		90,514.56	22,986.59	666,515.47	638,115.62	1,568,063.99	803,941.93	645,355.47	16,185,736.96
Miscellaneous Income	430,350.34	433,038.20	174,034.42	2,042,544.54	317,799.34	372,935.45	323,177.24	140,511.70	205,852.14	127,746.67
Disposal/Adjustment of Assets										
Transfers				(100,000.00)	(96,528.00)	(45,000.00)	(18,575.16)	(14,536.18)	8,421.07	
<b>Total Governmental Activities</b>	<b>36,861,004.94</b>	<b>33,205,721.41</b>	<b>31,974,676.26</b>	<b>32,770,265.20</b>	<b>31,359,980.77</b>	<b>30,480,858.80</b>	<b>30,699,216.43</b>	<b>29,502,322.73</b>	<b>28,861,910.83</b>	<b>28,096,934.95</b>
Business-type Activities:										
Investment Earnings	208.32	182.64	107.80	70.23	84.55	92.11	98.90	157.64	167.67	284.23
Transfers							(25,463.82)	(8,421.07)		
<b>Total Business-type Activities</b>	<b>208.32</b>	<b>182.64</b>	<b>107.80</b>	<b>70.23</b>	<b>84.55</b>	<b>92.11</b>	<b>(25,364.92)</b>	<b>(8,263.43)</b>	<b>167.67</b>	<b>284.23</b>
<b>Total Government-wide</b>	<b>\$ 36,861,213.26</b>	<b>\$ 33,205,904.05</b>	<b>\$ 31,974,784.06</b>	<b>\$ 32,770,335.43</b>	<b>\$ 31,360,065.32</b>	<b>\$ 30,480,950.91</b>	<b>\$ 30,673,851.51</b>	<b>\$ 29,494,059.30</b>	<b>\$ 28,862,078.50</b>	<b>\$ 28,097,219.18</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 6,840,351.46	\$ 4,978,927.79	\$ 3,505,029.73	\$ 3,820,110.08	\$ 2,238,224.88	\$ 2,396,711.15	\$ 2,506,622.60	\$ 2,865,998.27	\$ 2,085,820.27	\$ 1,595,326.58
Business-type Activities	(140,928.52)	340,465.21	226,862.55	8,144.83	3,528.32	(10,470.53)	(27,752.32)	(40,803.66)	14,231.07	29,810.29
<b>Total Government</b>	<b>\$ 6,699,422.94</b>	<b>\$ 5,319,393.00</b>	<b>\$ 3,731,892.28</b>	<b>\$ 3,828,254.91</b>	<b>\$ 2,241,753.20</b>	<b>\$ 2,386,240.62</b>	<b>\$ 2,478,870.28</b>	<b>\$ 2,825,194.61</b>	<b>\$ 2,100,051.34</b>	<b>\$ 1,625,136.87</b>

Source: Exhibit A-2

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2018, the School District adopted GASBS No. 75, which required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. Revenues and expenses prior to June 30, 2018 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended 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	\$ 11,444,145.80	\$ 8,267,352.99	\$ 4,702,593.05	\$ 2,795,909.84	\$ 1,759,819.57	\$ 1,653,451.80	\$ 1,501,455.38	\$ 1,807,525.65	\$ 2,482,076.41	\$ 2,506,676.46
Committed										
Assigned	1,972,747.35	2,871,947.86	4,435,101.16	4,985,841.45	1,912,564.94	2,448,919.64	3,182,947.60	2,225,212.64	1,068,590.57	551,574.59
Unassigned (Deficit)	<u>(1,100,509.59)</u>	<u>(312,790.61)</u>	<u>(408,696.36)</u>	<u>(982,202.32)</u>	<u>(875,954.39)</u>	<u>(937,643.76)</u>	<u>(944,189.74)</u>	<u>(874,609.22)</u>	<u>(888,908.93)</u>	<u>(926,113.85)</u>
Total General Fund	<u>\$ 12,316,383.56</u>	<u>\$ 10,826,510.24</u>	<u>\$ 8,728,997.85</u>	<u>\$ 6,799,548.97</u>	<u>\$ 2,796,430.12</u>	<u>\$ 3,164,727.68</u>	<u>\$ 3,740,213.24</u>	<u>\$ 3,158,129.07</u>	<u>\$ 2,661,758.05</u>	<u>\$ 2,132,137.20</u>
All Other Governmental Funds:										
Restricted	\$ 321,557.42	\$ 201,630.97	\$ 176,116.03	\$ 46,904.46	\$ 247,522.99	\$ 247,522.99	\$ 259,040.62	\$ 832,708.44	\$ 371,290.49	\$ 279,033.99
Unassigned (Deficit), Reported in: Special Revenue Fund			<u>(8,562.20)</u>	<u>(21,178.00)</u>	<u>(7,341.47)</u>	<u>(11,872.47)</u>			<u>(293.40)</u>	<u>(1,084.30)</u>
Total All Other Governmental Funds	<u>\$ 321,557.42</u>	<u>\$ 201,630.97</u>	<u>\$ 167,553.83</u>	<u>\$ 25,726.46</u>	<u>\$ 240,181.52</u>	<u>\$ 235,650.52</u>	<u>\$ 259,040.62</u>	<u>\$ 832,708.44</u>	<u>\$ 370,997.09</u>	<u>\$ 277,949.69</u>

Source: Exhibit B-1

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Tax Levy	\$ 12,295,158.00	\$ 12,173,424.00	\$ 12,173,424.00	\$ 11,934,729.00	\$ 12,445,421.00	\$ 12,335,132.00	\$ 12,064,068.00	\$ 11,913,635.00	\$ 11,341,206.00	\$ 11,137,781.00
Other Local Revenue	7,672,258.40	6,786,160.45	6,163,774.70	7,619,484.36	5,604,117.85	5,406,349.40	5,180,075.44	4,951,267.92	5,385,478.59	5,758,772.65
Proceeds from the Issuance of Bonds										
State Sources	31,032,962.96	28,685,363.15	26,147,003.66	24,198,475.01	23,781,883.50	22,455,082.31	22,429,844.43	21,087,257.88	20,537,569.84	19,820,527.74
Federal Sources	4,121,825.82	1,774,286.42	1,907,329.07	1,142,321.89	1,232,723.64	1,188,164.30	1,167,291.10	1,137,753.97	1,301,370.89	1,025,678.36
<b>Total Revenue</b>	<b>55,122,205.18</b>	<b>49,419,234.02</b>	<b>46,391,531.43</b>	<b>44,895,010.26</b>	<b>43,064,145.99</b>	<b>41,384,728.01</b>	<b>40,841,278.97</b>	<b>39,089,914.77</b>	<b>38,565,625.32</b>	<b>37,742,759.75</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	10,361,178.48	9,495,457.38	9,751,799.02	9,065,532.40	9,336,815.93	9,123,487.79	9,023,237.47	9,349,285.43	9,500,090.82	9,375,325.05
Special Education Instruction	4,713,109.63	4,320,020.47	4,617,064.53	3,977,729.45	4,109,815.27	3,893,732.89	3,903,378.47	3,901,102.56	4,120,128.22	4,170,982.91
Other Special Instruction	530,792.09	547,553.51	543,227.77	611,250.94	528,984.54	510,243.64	342,675.10	429,296.25	379,478.54	363,786.92
Other Instruction	1,069,967.87	1,133,265.94	911,183.50	1,100,010.72	1,117,553.28	1,043,663.32	1,044,461.70	602,210.24	644,922.54	602,570.22
Tuition	2,582,170.83	2,089,509.09	2,373,316.65	2,495,816.09	2,458,903.37	2,345,807.36	2,370,207.93	2,181,578.04	2,502,369.56	1,873,789.76
Support Services:										
Student and Instruction Related Services	4,380,970.55	3,967,399.54	3,329,086.38	3,363,798.41	3,240,183.74	3,259,666.00	3,159,527.92	2,891,311.03	3,480,610.94	3,413,941.96
School Administrative Services	1,366,330.86	1,292,801.45	1,342,298.02	1,275,951.63	1,258,293.08	1,217,652.05	1,213,888.52	1,224,717.83	1,246,654.19	1,204,866.29
Other Administrative Services	1,410,772.42	1,162,201.69	901,738.94	1,042,456.43	1,017,852.16	963,878.72	997,169.62	1,014,463.95	986,832.62	912,091.48
Plant Operations and Maintenance	4,494,130.56	4,261,048.71	4,495,401.49	4,657,568.27	4,424,295.66	3,935,382.59	3,782,364.07	3,440,334.04	3,524,918.85	3,638,494.52
Pupil Transportation	2,075,239.15	1,287,252.63	980,396.88	1,452,085.95	1,700,484.83	1,657,696.29	1,471,324.50	1,368,446.41	1,284,293.12	1,225,119.31
Unallocated Benefits	6,686,897.41	6,886,036.02	6,603,253.25	6,243,965.27	6,111,987.53	5,904,550.48	5,667,714.90	5,842,147.32	5,464,764.24	5,381,020.60
Reimbursed TPAF Pension and Social Security	8,403,552.96	8,063,664.15	6,445,806.09	5,173,155.42	5,018,116.50	4,473,410.31	3,940,105.23	3,447,641.30	3,103,716.84	2,716,470.74
Transfer to Charter Schools	32,173.00	63,622.00	42,399.00	87,341.00	183,942.00	196,164.00	287,582.00	255,100.00	186,007.00	140,004.00
Debt Service:										
Principal					1,385,000.00	1,355,000.00	1,325,000.00	1,290,000.00	1,275,000.00	1,270,000.00
Interest and Other Charges					41,550.00	82,200.00	121,949.50	160,650.00	186,150.00	241,969.66
Capital Outlay	5,910,816.88	2,717,811.91	2,721,151.23	459,684.49	1,454,134.66	1,976,068.23	2,163,700.53	719,011.82	65,440.66	5,302,080.87
<b>Total Expenditures</b>	<b>54,018,102.69</b>	<b>47,287,644.49</b>	<b>45,058,122.75</b>	<b>41,006,346.47</b>	<b>43,387,912.55</b>	<b>41,938,603.67</b>	<b>40,814,287.46</b>	<b>38,117,296.22</b>	<b>37,951,378.14</b>	<b>41,832,514.29</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,104,102.49	2,131,589.53	1,333,408.68	3,888,663.79	(323,766.56)	(553,875.66)	26,991.51	972,618.55	614,247.18	(4,089,754.54)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)	505,697.28		409,764.28							405,120.00
Transfers In								796,063.82	8,421.07	
Transfers Out				(100,000.00)	(40,000.00)	(45,000.00)	(18,575.16)	(810,600.00)		
<b>Total Other Financing Sources (Uses)</b>	<b>505,697.28</b>		<b>409,764.28</b>	<b>(100,000.00)</b>	<b>(40,000.00)</b>	<b>(45,000.00)</b>	<b>(18,575.16)</b>	<b>(14,536.18)</b>	<b>8,421.07</b>	<b>405,120.00</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,609,799.77</b>	<b>\$ 2,131,589.53</b>	<b>\$ 1,743,172.96</b>	<b>\$ 3,788,663.79</b>	<b>\$ (363,766.56)</b>	<b>\$ (598,875.66)</b>	<b>\$ 8,416.35</b>	<b>\$ 958,082.37</b>	<b>\$ 622,668.25</b>	<b>\$ (3,684,634.54)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%		3.4%	3.6%	3.7%	3.9%	3.9%	4.1%

Source: Exhibit B-2

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended 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>
Rental of Facilities	\$ 42,587.50	\$ 81,054.75	\$ 4,000.00		\$ 40,290.00	\$ 11,214.00	\$ 10,465.00	\$ 1,500.00	\$ 28,540.00	\$ 2,850.00
Sale of District Assets			2,118.50					237.50	5,950.00	
Refund of Prior Year Expenditures	257,969.02	222,272.34	2,851.69	\$ 6,506.07	15,695.08	28,299.83	24,296.19	11,407.64	42,540.91	31,655.68
Other	53,866.88	3,278.52	2,347.54	10,588.78	47,962.85	60,233.07	14,394.18	1,636.17	56,356.88	11,758.27
Transportation Fees	141,064.56	76,127.22	107,320.88					53,218.38	60,717.24	43,191.52
E-Rate Refunds	24,134.64	37,741.65	46,174.62	47,028.24	23,408.93	51,067.80	79,906.37	67,655.05		
Insurance Refunds				1,745.85	4,618.89	14,548.69				
Shared Services		6,545.50	703.00	49,016.50	54,185.77	27,161.38				
Settlement				1,842,353.14						33,769.55
High School Dual Credit Fees		1,974.72								
Lost Book Fees		42.64								
Interest Earned on Deposits	11,487.74	4,000.86	8,518.19	4,754.38	3,840.14	3,629.79	4,352.47	4,856.96	3,783.61	4,521.65
<b>Total Miscellaneous Revenues</b>	<u>\$ 531,110.34</u>	<u>\$ 433,038.20</u>	<u>\$ 174,034.42</u>	<u>\$ 1,961,992.96</u>	<u>\$ 190,001.66</u>	<u>\$ 196,154.56</u>	<u>\$ 133,414.21</u>	<u>\$ 140,511.70</u>	<u>\$ 197,888.64</u>	<u>\$ 127,746.67</u>

Source: District Records

## Revenue Capacity Information

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized ) Value	Total Direct School Tax Rate (2)
2023	\$ 14,118,100.00	\$ 355,093,200.00	\$ 1,209,500.00	\$ 24,677,700.00	\$ 793,200.00	\$ 47,991,600.00	\$ 443,883,300.00		\$ 443,883,300.00	\$ 124,924,000.00	\$ 614,456,395.00	\$ 2.798
2022	14,653,600.00	353,885,000.00	1,209,400.00	24,441,100.00	793,200.00	47,991,600.00	442,973,900.00	\$ 435,200.00	443,409,100.00	122,919,600.00	529,823,276.00	2.759
2021	10,580,300.00	346,372,600.00	1,208,900.00	15,788,200.00	793,200.00	47,991,600.00	422,734,800.00	468,369.00	423,203,169.00	122,777,200.00	468,404,172.00	2.877
2020	11,190,000.00	344,603,900.00	1,208,200.00	14,504,500.00	793,200.00	47,991,600.00	420,291,400.00	492,247.00	420,783,647.00	122,680,902.00	442,688,463.00	2.865
2019 (3)	11,254,900.00	344,410,800.00	1,090,500.00	15,070,000.00	793,200.00	47,991,600.00	420,611,000.00	480,055.00	421,091,055.00	118,538,902.00	451,523,756.00	2.895
2018	11,156,000.00	344,460,600.00	1,323,500.00	15,112,700.00	793,200.00	46,928,200.00	419,774,200.00	463,536.00	420,237,736.00	119,122,102.00	464,505,069.00	2.948
2017	11,424,500.00	344,577,000.00	1,396,600.00	15,025,400.00	793,200.00	48,131,100.00	421,347,800.00	509,497.00	421,857,297.00	118,534,502.00	445,344,590.00	2.891
2016	14,525,500.00	453,896,600.00	1,734,500.00	17,212,100.00	950,400.00	38,985,500.00	527,304,600.00	517,602.00	527,822,202.00	119,315,902.00	461,932,198.00	2.271
2015	14,922,700.00	457,726,300.00	1,734,500.00	17,493,900.00	950,400.00	36,120,900.00	528,948,700.00	536,881.00	529,485,581.00	117,254,400.00	467,764,776.00	2.196
2014	15,764,200.00	460,410,000.00	1,734,500.00	16,754,600.00	1,137,000.00	34,664,500.00	530,464,800.00	513,771.00	530,978,571.00	117,567,800.00	478,625,353.00	2.116

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

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

(3) Revaluation

Source: Camden County Board of Taxation

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Service	Total Direct School Tax Rate	Borough of Pine Hill	Borough of Pine Hill Fire District	Camden County	
2023	\$ 2.798		\$ 2.798	\$ 1.330	\$ 0.316	\$ 0.998	\$ 5.442
2022	2.759		2.759	1.290	0.298	0.939	5.286
2021	2.877		2.877	1.290	0.292	0.935	5.394
2020	2.865		2.865	1.245	0.282	0.893	5.285
2019 (1)	2.734	\$ 0.161	2.895	1.246	0.271	0.929	5.341
2018	2.784	0.164	2.948	1.246	0.252	0.989	5.435
2017	2.730	0.161	2.891	1.245	0.250	0.933	5.319
2016	2.123	0.148	2.271	0.995	0.181	0.769	4.216
2015	2.040	0.156	2.196	0.960	0.169	0.775	4.100
2014	1.962	0.154	2.116	0.930	0.165	0.771	3.982

(1) Revaluation

Source: Municipal Tax Collector

**BOROUGH OF PINE HILL SCHOOL DISTRICT**

Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Taxpayer</u>	2023			2014		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Chalet Gardens Realty Corp (Chalet Apartments)	\$ 21,193,500.00	1	4.77%	\$ 15,000,000.00	1	2.82%
Pine Hill Redevelopment Associates	15,920,000.00	2	3.59%	8,093,500.00	3	1.52%
Pine Valley Golf Club	14,475,900.00	3	3.26%			
Aion Chateau Ridge, LLC	10,384,100.00	4	2.34%	11,000,000.00	2	2.07%
Carl Pursell	2,000,400.00	5	0.45%			
Messer Holding, LLC	1,478,000.00	6	0.33%	1,622,300.00	4	0.31%
VDMH Enterprises, LLC	1,051,400.00	7	0.24%			
US Bank Trust	947,900.00	9	0.21%			
National Paving Co Inc	1,027,300.00	8	0.23%			
Exchangeright NET-Leased prtflio 50	855,900.00	10	0.19%			
AB Woodcrest Fields, LLC				1,530,000.00	5	0.29%
Pine Hill Market				1,053,000.00	6	0.20%
Recon Investments Group, LLC				996,400.00	7	0.19%
Che Group LLC				882,400.00	8	0.17%
Barbara and Depaul Revocable Trust				860,600.00	9	0.16%
New Century Associates LLC				750,400.00	10	0.14%
<b>Total</b>	<b>\$ 69,334,400.00</b>		<b>15.62%</b>	<b>\$ 41,788,600.00</b>		<b>7.87%</b>

Federal Nation Mortgage Assoc.

Source: Municipal Tax Assessor



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

---

<u>Fiscal Year</u> <u>Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2023	\$ 12,295,158.00	\$ 12,295,158.00	100.00%	-
2022	12,173,424.00	12,173,424.00	100.00%	-
2021	12,173,424.00	12,173,424.00	100.00%	-
2020	11,934,729.00	11,934,729.00	100.00%	-
2019	12,445,421.00	12,445,421.00	100.00%	-
2018	12,335,132.00	12,335,132.00	100.00%	-
2017	12,064,068.00	12,064,068.00	100.00%	-
2016	11,913,635.00	11,913,635.00	100.00%	-
2015	11,341,206.00	11,341,206.00	100.00%	-
2014	11,137,781.00	11,137,781.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

**BOROUGH OF PINE HILL 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 (2)	Per Capita (3)
	General Obligation Bonds (1)	Lease Liability	Financed Purchases			
2023	\$ 3,290,000.00	\$ 148,939.11	\$ 485,791.08	\$ 3,924,730.19	Unavailable	Unavailable
2022	3,680,000.00		300,112.32	3,980,112.32	Unavailable	\$ 370.66
2021	4,050,000.00		350,750.76	4,400,750.76	0.67%	411.32
2020	4,400,000.00		-	4,400,000.00	0.72%	423.65
2019	4,735,000.00		-	4,735,000.00	0.83%	454.59
2018	6,435,000.00		-	6,435,000.00	1.16%	616.79
2017	8,090,000.00		81,971.18	8,171,971.18	1.53%	782.91
2016	9,700,000.00		162,983.97	9,862,983.97	1.91%	943.65
2015	11,260,000.00		306,036.81	11,566,036.81	2.31%	1,107.65
2014	12,855,000.00		418,718.72	13,273,718.72	2.75%	1,270.94

## Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2020 Census published

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2023	\$ 3,290,000.00	-	\$ 3,290,000.00	0.74%	Unavailable
2022	3,680,000.00	-	3,680,000.00	0.83%	\$ 342.71
2021	4,050,000.00	-	4,050,000.00	0.96%	378.54
2020	4,400,000.00	-	4,400,000.00	1.05%	423.65
2019	4,735,000.00	-	4,735,000.00	1.12%	454.59
2018	6,435,000.00	-	6,435,000.00	1.53%	616.79
2017	8,090,000.00	-	8,090,000.00	1.92%	775.05
2016	9,700,000.00	-	9,700,000.00	1.84%	928.05
2015	11,260,000.00	-	11,260,000.00	2.13%	1,078.34
2014	12,855,000.00	-	12,855,000.00	2.42%	1,230.85

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2022  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Pine Hill</u>
Municipal Debt: (1)				
Pine Hill Borough School District	\$ 3,290,000.00	\$ 3,290,000.00		
Borough of Pine Hill	3,806,250.00	275,000.00	\$ 3,531,250.00	\$ 3,531,250.00
	<u>7,096,250.00</u>	<u>3,565,000.00</u>	<u>3,531,250.00</u>	<u>3,531,250.00</u>
Overlapping Debt Apportioned to the Municipality: (2)				
County of Camden:				
General:				
Bonds	64,387,267.00	22,237,615.00 (3)	42,149,652.00	520,053.75 (5)
Notes	42,980,000.00		42,980,000.00	530,298.81 (5)
Loan Agreement	347,760,000.00		347,760,000.00	4,290,756.48 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	223,550,595.00	223,550,595.00 (4)		
Pine Hill MUA - Sewer	1,888,993.27		1,888,993.27	1,888,993.27
Pine Hill MUA - Water	4,949,868.65		4,949,868.65	4,949,868.65
	<u>685,516,723.92</u>	<u>245,788,210.00</u>	<u>439,728,513.92</u>	<u>12,179,970.96</u>
	<u>\$ 692,612,973.92</u>	<u>\$ 249,353,210.00</u>	<u>\$ 443,259,763.92</u>	<u>\$ 15,711,220.96</u>

## Sources:

- (1) 2022 Annual Debt Statement
- (2) Entity's Respective 2022 Reports of Audit
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2022 Equalized Value, which is 1.23%.  
The source for this computation was the 2022 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

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

<u>Equalized valuation basis (1)</u>	
\$ 613,197,536.00	2022
530,595,651.00	2021
<u>465,074,267.00</u>	2020
<u>\$ 1,608,867,454.00</u>	
\$ 536,289,151.33	Average equalized valuation of taxable property
\$ 21,451,566.05	Debt limit (4% of average equalization value) (2)
<u>3,290,000.00</u>	Total Net Debt Applicable to Limit
<u>\$ 18,161,566.05</u>	Legal Debt Margin

	Fiscal Year Ended 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>
Debt limit	\$ 21,451,566.05	\$ 19,177,047.57	\$ 18,103,928.64	\$ 18,512,880.09	\$ 18,682,767.08	\$ 18,682,767.08	\$ 18,752,240.00	\$ 19,136,935.44	\$ 19,857,970.17	\$ 20,739,921.29
Total net debt applicable to limit (3)	<u>3,290,000.00</u>	<u>3,680,000.00</u>	<u>4,050,000.00</u>	<u>4,735,000.00</u>	<u>6,435,000.00</u>	<u>8,090,000.00</u>	<u>9,700,000.00</u>	<u>11,260,000.00</u>	<u>12,855,000.00</u>	<u>14,495,000.00</u>
Legal debt margin	<u>\$ 18,161,566.05</u>	<u>\$ 15,497,047.57</u>	<u>\$ 14,053,928.64</u>	<u>\$ 13,777,880.09</u>	<u>\$ 12,247,767.08</u>	<u>\$ 10,592,767.08</u>	<u>\$ 9,052,240.00</u>	<u>\$ 7,876,935.44</u>	<u>\$ 7,002,970.17</u>	<u>\$ 6,244,921.29</u>
Total net debt applicable to the limit as a percentage of debt limit	15.34%	19.19%	22.37%	25.58%	34.44%	43.30%	51.73%	58.84%	64.73%	69.89%

Sources:  
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.  
 (2) Limit set by NJSA 18A:24-19 for a K through 12 district.  
 (3) District Records

## Demographic and Economic Information

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

---

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2022	10,738	Unavailable	Unavailable	5.10%
2021	10,699	\$ 659,507,758.00	\$ 61,642.00	8.10%
2020	10,386	611,008,380.00	58,830.00	11.90%
2019	10,416	572,442,528.00	54,958.00	4.80%
2018	10,433	553,220,258.00	53,026.00	5.30%
2017	10,438	533,340,048.00	51,096.00	6.40%
2016	10,452	516,245,184.00	49,392.00	6.20%
2015	10,442	501,236,884.00	48,002.00	8.20%
2014	10,444	482,439,692.00	46,193.00	10.70%
2013	10,435	463,908,795.00	44,457.00	9.80%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon the 2020 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Principal Non-Governmental Employers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Pine Valley Golf Club	188	1	3.37%	100	1	1.91%
Trump National Golf Course	130	2	2.33%			
Carl Pursell	20	3	0.36%	12	5	0.23%
Wawa	12	4	0.22%	20	4	0.38%
Eagle Dinner	10	5	0.18%			
Image Beauty	9	6	0.17%			
Kentucky Fried Chicken	8	7	0.15%	29	3	0.55%
Dunkin Donuts - Erial Road	6	8	0.11%			
Dunkin Donuts - Cross Keys	6	9	0.11%			
William Penn Bank	5	10	0.09%			
Pine Hill Market				30	2	0.57%
International Seal				11	6	0.21%
Pine Hill Printing				10	7	0.19%
Accelerated Services Systems				10	8	0.19%
	394		7.09%	222		4.24%

Source: Individual Employers

## Operating Information

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

**BOROUGH OF PINE HILL 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	148.0	146.0	146.0	146.0	146.0	146.0	147.0	147.0	156.0	157.0
Special education	52.0	51.5	51.5	51.5	51.5	51.0	50.0	52.0	57.0	57.0
Other special education	25.0	25.0	25.0	31.0	30.0	28.0	27.0	25.0	4.0	4.0
Vocational	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Other instruction	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	7.0	7.0
Support Services:										
Student & instruction related services	17.0	15.0	15.0	15.0	15.0	15.0	15.0	14.0	20.0	20.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
School administrative services	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	25.0	25.0	27.0	26.0	26.0	26.0	26.0	26.0	29.0	29.5
Pupil transportation	13.0	10.0	9.0	4.0	4.0	4.0	3.0	3.0	6.0	8.0
Total	<u>310.0</u>	<u>302.5</u>	<u>303.5</u>	<u>303.5</u>	<u>302.5</u>	<u>300.0</u>	<u>298.0</u>	<u>297.0</u>	<u>307.0</u>	<u>310.5</u>

Source: District Records

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2023	1,906	\$ 48,656,612.47	\$ 25,528.13	5.29%	178	11/1	10/1	10/1	1,899.6	1,801.7	2.01%	94.85%
2022	1,862	45,145,924.01	24,245.93	6.28%	177	11/1	10/1	10/1	1,862.2	1,708.2	3.04%	91.73%
2021	1,860	42,431,729.36	22,812.76	5.89%	177	11/1	10/1	10/1	1,807.3	1,686.8	-3.93%	93.33%
2020	1,882	40,546,661.98	21,544.45	-1.50%	178	11/1	10/1	10/1	1,881.3	1,804.6	1.56%	95.92%
2019	1,852	40,507,227.89	21,872.15	6.34%	178	11/1	9/1	10/1	1,852.4	1,748.6	-1.07%	94.39%
2018	1,873	38,525,335.44	20,568.79	3.17%	174	12/1	9/1	10/1	1,872.5	1,773.4	0.80%	94.71%
2017	1,866	37,203,637.43	19,937.64	5.05%	174	12/1	8/1	11/1	1,857.6	1,758.8	-1.92%	94.68%
2016	1,894	35,947,634.40	18,979.74	0.72%	164	14/1	8/1	11/1	1,894.0	1,790.0	-2.32%	94.51%
2015	1,933	36,424,787.48	18,843.66	2.35%	226	18/1	18/1	18/1	1,939.0	1,831.5	2.03%	94.46%
2014	1,902	35,018,463.76	18,411.39	25.22%	227	18/1	18/1	18/1	1,900.5	1,792.9	-12.54%	94.34%

Sources: District Records

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

District Building	Fiscal Year Ended 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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Albert Bean (1952)										
Square Feet	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	368	368	362	362	371	362	354	369	401	360
John Glenn (1964)										
Square Feet	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	435	435	431	431	446	487	497	502	480	390
<b><u>Middle School</u></b>										
Pine Hill Middle School (2002)										
Square Feet	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	396	396	395	395	372	369	327	317	332	349
<b><u>High School</u></b>										
Overbrook High School (1969)										
Square Feet	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Capacity (students)	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Enrollment	663	663	617	617	652	655	688	706	720	803
<b><u>Other</u></b>										
Garage/Storage (2002)										
Square Feet	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624
Technology (2002)										
Square Feet	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Garage/Ticket Booth (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Garage/Field Bathrooms (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Number of Schools at June,30, 2023										
Elementary = 2										
Middle School = 1										
High School = 1										
Other = 4										

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
John H Glenn School	\$ 177,071.34	\$ 256,130.96	\$ 188,153.14	\$ 86,847.19	\$ 152,408.10	\$ 109,446.05	\$ 139,745.76	\$ 199,492.91	\$ 99,142.00	\$ 156,858.17
Albert Bean School	225,016.32	244,517.35	135,011.84	109,574.06	70,613.10	228,679.03	159,018.80	108,665.75	102,528.00	146,059.19
Middle School	199,347.79	843,128.73	183,922.50	195,284.77	902,764.54	95,399.69	131,118.88	121,594.69	145,185.00	136,662.60
High School	484,748.22	207,762.02	870,390.51	1,120,710.73	137,067.76	431,641.63	444,436.43	264,280.08	256,124.12	169,207.31
	<u>1,086,183.67</u>	<u>1,551,539.06</u>	<u>1,377,477.99</u>	<u>1,512,416.75</u>	<u>1,262,853.50</u>	<u>865,166.40</u>	<u>874,319.87</u>	<u>694,033.43</u>	<u>602,979.12</u>	<u>608,787.27</u>
Other Facilities	-	-	-	-	-	-	-	-	-	78,485.11
Grand Total	<u>\$ 1,086,183.67</u>	<u>\$ 1,551,539.06</u>	<u>\$ 1,377,477.99</u>	<u>\$ 1,512,416.75</u>	<u>\$ 1,262,853.50</u>	<u>\$ 865,166.40</u>	<u>\$ 874,319.87</u>	<u>\$ 694,033.43</u>	<u>\$ 602,979.12</u>	<u>\$ 687,272.38</u>

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

Source: District Records

## BOROUGH OF PINE HILL SCHOOL DISTRICT

Insurance Schedule

June 30, 2023

Unaudited

---

		<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:			
Blanket Property & Business Personal Property	(B)	\$ 500,000,000.00	\$ 2,500.00
Boiler and Machinery	(B)	100,000,000.00	2,500.00
Cyber Liability	(B)	2,000,000.00	
Crime and Fidelity:			
Money and Securities	(B)	50,000.00	
Crime Coverage	(B)	500,000.00	
Computer Fraud	(B)	50,000.00	
Forgery and Alteration	(B)	50,000.00	
General and Automobile Liability	(B)	10,000,000.00	
Workers Compensation		Statutory	
Employers' Liability	(A)	5,000,000.00	
Environmental Impairment	(A)	10,000,000.00	1,000,000.00
Excess Liability	(A)	5,000,000.00	
School Leaders Professional Liability	(A)	5,000,000.00	10,000.00
Zurich Insurance Company:			
Student Accident	(B)	5,000,000.00	
Selective Insurance Company of America:			
Treasurer		275,000.00	
School Business Administrator		105,000.00	
(A)	Per Claim/Annual Aggregate		
(B)	Per Occurrence		

Source: District Records

SINGLE AUDIT SECTION



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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Pine Hill School District  
County of Camden  
1003 Turnerville Road  
Pine Hill, New Jersey 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 1, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
February 1, 2024

**Exhibit K-2**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Pine Hill School District  
County of Camden  
1003 Turnerville Road  
Pine Hill, New Jersey 08021

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

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

We have audited the Borough of Pine Hill School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

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

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

### **Report on Internal Control over Compliance**

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

**Report on Internal Control over Compliance (Cont'd)**

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
February 1, 2024

[THIS PAGE INTENTIONALLY LEFT BLANK]

**BOROUGH OF PINE HILL 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 General Fund	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To		Balance June 30, 2022
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	N/A	2205NJ5MAP	N/A	\$ 42,710.41	7-1-22	6-30-23	\$ (7,484.05)
Medicaid Administrative Claiming Aid	93.778	N/A	2205NJ5MAP	N/A	31,895.46	7-1-22	6-30-23	(5,941.65)
Special Education Medicaid Initiative	93.778	COVID-19	2105NJ5MAP	N/A	12,500.43	7-1-22	6-30-23	
Total Medical Assistance Program (Medicaid) Cluster								(13,425.70)
Total General Fund								(13,425.70)
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A220030	NCLB411023	440,072.00	7-1-22	9-30-23	
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A210030	NCLB411022	474,316.00	7-1-21	9-30-22	(276,079.38)
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	N/A	S010A220030	NCLB411023	10,000.00	7-1-22	9-30-23	234.96
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	N/A	S010A210030	NCLB411022	49,201.00	7-1-21	9-30-22	
Total Title I, Part A Grants to Local Educational Agencies								(275,844.42)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A220029	NCLB411023	61,283.00	7-1-22	9-30-23	
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A210029	NCLB411022	64,578.00	7-1-21	9-30-22	(32,912.65)
Total Supporting Effective Instruction State Grants (Title II, Part A) ESSA								(32,912.65)
English Language Acquisition (Title III)	84.365	N/A	S365A210030	NCLB142022	11,805.00	7-1-21	9-30-22	(9,827.64)
English Language Acquisition (Title III)	84.365	N/A	S365A220030	NCLB142023	10,779.00	7-1-22	9-30-23	
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A210030	NCLB406022	1,877.00	7-1-21	9-30-22	(1,586.66)
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A220030	NCLB406023	4,172.00	7-1-22	9-30-23	
Total English Language Acquisition (Title III)								(11,414.30)
I.D.E.A. Part B:								
Special Education Cluster:								
Special Education Grants to States (IDEA Basic)	84.027A	N/A	H027A220100	FT411022	469,369.00	7-1-22	9-30-23	(193,604.53)
Special Education Preschool Grants (IDEA Basic ARP)	84.027X	COVID-19	H027X210100	Unavailable	98,772.00	7-1-21	9-30-22	(59,265.50)
Total I.D.E.A. Part B Basic								(252,870.03)
Special Education Preschool Grants (IDEA Preschool)	84.173A	N/A	H173A220114	PS411022	18,074.00	7-1-22	9-30-23	(5,799.72)
Special Education Preschool Grants (IDEA Preschool ARP)	84.173X	COVID-19	H173X210114	Unavailable	9,381.00	7-1-21	9-30-22	(345.60)
Total I.D.E.A. Part B Preschool								(6,145.32)
Total I.D.E.A. Part B Special Education Cluster								(259,015.35)
Coronavirus Aid Relief and Economic Security Act 2020 - CARES Act:								
Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	COVID-19	S425D200027	Unavailable	439,866.00	5-15-20	9-30-21	5,000.00
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	COVID-19	S425D210027	Unavailable	1,707,930.00	3-13-20	9-30-23	(1,007,931.32)
Elementary and Secondary School Emergency Relief Fund (Learning Acceleration)	84.425D	COVID-19	S425D210027	Unavailable	109,606.00	3-13-20	9-30-23	(9,401.69)
Elementary and Secondary School Emergency Relief Fund (Mental Health)	84.425D	COVID-19	S425D210027	Unavailable	45,000.00	3-13-20	9-30-23	(5,220.40)
American Rescue Plan - ESSER III	84.425U	COVID-19	S425U210027	Unavailable	3,838,463.00	3-13-20	9-30-24	(1,301,233.83)
American Rescue Plan - Accelerated Learning Coach and Educator Support	84.425U	COVID-19	S425U210027	Unavailable	165,322.00	3-13-20	9-30-24	
American Rescue Plan - Evidence Based Summer Learning and Enrichment	84.425U	COVID-19	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	
American Rescue Plan - Evidence Based Comprehensive Beyond the School Day	84.425U	COVID-19	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	
American Rescue Plan - NJTSS Mental Health Support Staffing	84.425U	COVID-19	S425U210027	Unavailable	445,613.00	3-13-20	9-30-24	(9,719.14)
American Rescue Plan - Homeless Children and Youth Program	84.425W	COVID-19	S425W210031	Unavailable	28,730.00	3-13-20	9-30-24	
Total Education Stabilization Fund (ESSER)								(2,328,506.38)
Total Special Revenue Fund								(2,907,693.10)
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	N/A	221NJ304N1099	Unavailable	346,072.90	7-1-21	6-30-22	(69,936.44)
School Breakfast Program	10.553	N/A	231NJ304N1199	Unavailable	187,076.24	7-1-22	6-30-23	
Total School Breakfast Program								(69,936.44)
National School Lunch Program	10.555	N/A	221NJ304N1099	Unavailable	924,821.63	7-1-21	6-30-22	(172,722.57)
National School Lunch Program	10.555	N/A	231NJ304N1199	Unavailable	587,208.98	7-1-22	6-30-23	
National School Lunch Program - Commodities (Noncash)	10.555	N/A	231NJ304N1199	Unavailable	139,050.49	7-1-22	6-30-23	
After School Snack Program	10.555	COVID-19	221NJ304N1099	Unavailable	21,704.00	7-1-21	6-30-22	(2,967.00)
After School Snack Program	10.555	N/A	231NJ304N1199	Unavailable	22,717.80	7-1-22	6-30-23	
Special Milk Program	10.556	N/A	231NJ304N1199	Unavailable	79.33	7-1-22	6-30-23	
Supply Chain Assistance	10.555	COVID-19	231NJ304N1199	Unavailable	97,347.91	7-1-22	6-30-23	
Total National School Lunch Program								(175,689.57)
Total Child Nutrition Cluster								(245,626.01)
Total Enterprise Fund								(245,626.01)
Total Federal Financial Assistance								\$ (3,166,744.81)

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Budgetary Expenditures				Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2023		Due to Grantor
	Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
	\$ 50,194.46	\$ 42,710.41		\$ 42,710.41						
	37,837.11	31,895.46		31,895.46						
	12,500.43	12,500.43		12,500.43						
-	100,532.00	87,106.30	-	87,106.30	-	-	-	-	-	-
-	100,532.00	87,106.30	-	87,106.30	-	-	-	-	-	-
	299,096.00	506,329.36		506,329.36		\$ (37.42)	\$ (281,618.00)	\$ 74,347.22		
	275,807.00					272.38			10,000.00	
						(234.96)	(10,000.00)			
-	574,903.00	506,329.36	-	506,329.36	-	(0.00)	(291,618.00)	84,347.22		-
	31,139.00	61,148.00		61,148.00			(44,967.00)	14,958.00		
	32,913.00									
						(0.35)				
-	64,052.00	61,148.00	-	61,148.00	-	(0.35)	(44,967.00)	14,958.00		-
	8,729.00					1,098.64				
	1,254.00	6,982.07		6,982.07		(1,098.97)	(19,080.00)	12,252.96		
	1,587.00					(0.34)				
		2,115.52		2,115.52			(4,685.00)	2,569.48		
-	11,570.00	9,097.59	-	9,097.59	-	(0.67)	(23,765.00)	14,822.44		-
	539,820.00	518,511.00		518,511.00		(0.47)	(172,296.00)			
	76,085.00	19,807.28		19,807.28			(3,840.00)	852.22		
-	615,905.00	538,318.28	-	538,318.28	-	(0.47)	(176,136.00)	852.22		-
	20,455.00	21,578.00		21,578.00		(0.28)	(6,923.00)			
	5,381.00	5,035.40		5,035.40						
-	25,836.00	26,613.40	-	26,613.40	-	(0.28)	(6,923.00)	-		-
-	641,741.00	564,931.68	-	564,931.68	-	(0.75)	(183,059.00)	852.22		-
						(5,000.00)				
	410,313.00	296,253.38		296,253.38			(896,762.00)	2,890.30		
	9,402.00	78,669.03		78,669.03			(80,950.00)	2,281.28		
		30,200.60		30,200.60			(42,421.00)	7,000.00		
	1,348,322.00	710,813.95		710,813.95			(2,490,141.00)	1,826,415.22		
	9,481.00	9,810.90		9,810.90			(155,841.00)	155,511.10		
							(40,000.00)	40,000.00		
							(40,000.00)	40,000.00		
	47,665.00	110,578.29		110,578.29			(397,948.00)	325,315.57		
	28,730.00	28,730.00		28,730.00						
-	1,853,913.00	1,265,056.15	-	1,265,056.15	-	(5,000.00)	(4,144,063.00)	2,399,413.47		-
-	3,146,179.00	2,406,562.78	-	2,406,562.78	-	(5,001.77)	(4,687,472.00)	2,514,393.35		-
	69,936.44									
	177,081.20	187,076.24		187,076.24			(9,995.04)			
-	247,017.64	187,076.24	-	187,076.24	-	-	(9,995.04)	-		-
	172,722.57									
	561,063.96	587,208.98		587,208.98			(26,145.02)			
	139,050.49	139,050.49		139,050.49						
	2,967.00									
	22,244.76	22,717.80		22,717.80			(473.04)			
	79.33	79.33		79.33						
	97,347.91	97,347.91		97,347.91						
-	995,476.02	846,404.51	-	846,404.51	-	-	(26,618.06)	-		-
-	1,242,493.66	1,033,480.75	-	1,033,480.75	-	-	(36,613.10)	-		-
-	1,242,493.66	1,033,480.75	-	1,033,480.75	-	-	(36,613.10)	-		-
-	\$ 4,489,204.66	\$ 3,527,149.83	-	\$ 3,527,149.83	-	\$ (5,001.77)	\$ (4,724,085.10)	\$ 2,514,393.35		-



**BOROUGH OF PINE HILL 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	Required Match	Grant Period		Balance at June 30, 2022	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	22-495-034-5120-078	\$ 17,368,019.00	N/A	7-1-21	6-30-22	\$ (1,712,103.94)	
Equalization Aid	23-495-034-5120-078	18,677,592.00	N/A	7-1-22	6-30-23		
Categorical Special Education Aid	22-495-034-5120-089	1,283,209.00	N/A	7-1-21	6-30-22	(126,496.13)	
Categorical Special Education Aid	23-495-034-5120-089	1,283,209.00	N/A	7-1-22	6-30-23		
Categorical Security Aid	22-495-034-5120-084	536,169.00	N/A	7-1-21	6-30-22	(52,854.45)	
Categorical Security Aid	23-495-034-5120-084	536,169.00	N/A	7-1-22	6-30-23		
School Choice Aid	22-495-034-5120-068	272,814.00	N/A	7-1-21	6-30-22	(26,893.45)	
School Choice Aid	23-495-034-5120-068	256,846.00	N/A	7-1-22	6-30-23		
Total State Aid - Public						(1,918,347.97)	-
State Aid - Transportation:							
Categorical Transportation Aid	22-495-034-5120-014	588,996.00	N/A	7-1-21	6-30-22	(58,062.03)	
Categorical Transportation Aid	23-495-034-5120-014	588,996.00	N/A	7-1-22	6-30-23		
Additional Non-Public Transportation Aid	22-495-034-5120-014	12,836.00	N/A	7-1-21	6-30-22	(12,836.00)	
Total State Aid - Transportation						(70,898.03)	-
Extraordinary Aid							
Extraordinary Aid	22-495-034-5120-044	361,045.00	N/A	7-1-21	6-30-22	(361,045.00)	
Extraordinary Aid	23-495-034-5120-044	391,484.00	N/A	7-1-22	6-30-23		
Total Extraordinary Aid						(361,045.00)	-
Homeless Tuition Aid							
Homeless Tuition Aid	22-495-034-5120-005	199,398.00	N/A	7-1-21	6-30-22	(199,398.00)	
Homeless Tuition Aid	23-495-034-5120-005	76,098.00	N/A	7-1-22	6-30-23		
Total Homeless Tuition Aid						(199,398.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	1,113,955.09	N/A	7-1-21	6-30-22	(58,256.80)	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	1,197,075.96	N/A	7-1-22	6-30-23		
Total Reimbursed TPAF Social Security Contributions						(58,256.80)	-
Securing our Children's Future Bond Act - School Security Grant							
	23-588-034-5120-08	100,760.00	N/A	7-1-22	6-30-23	-	-
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)							
	23-495-034-5094-001	1,498,815.00	N/A	7-1-22	6-30-23		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)							
	23-495-034-5094-002	5,627,402.00	N/A	7-1-22	6-30-23		
On-Behalf T.P.A.F. Non-contributory Insurance							
	23-495-034-5094-004	78,074.00	N/A	7-1-22	6-30-23		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)							
	23-495-034-5094-004	2,186.00	N/A	7-1-22	6-30-23		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(2,607,945.80)	-
<b>Special Revenue Fund:</b>							
New Jersey Department of Education:							
Preschool Education Aid							
Preschool Education Aid	22-495-034-5120-086	126,330.00	\$ 161,200.00	7-1-21	6-30-22	14,162.83	
Preschool Education Aid	23-495-034-5120-086	807,432.00	29,997.00	7-1-22	6-30-23		
Total Preschool Education Aid						14,162.83	-
Climate Awareness Grant	23-100-034-5063-359	6,660.00	NA	7-1-22	6-30-23	-	-
Emergent and Capital Needs Grant	Unknown	89,665.00	NA	7-1-22	6-30-23	-	-
Total Special Revenue Fund						14,162.83	-
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Breakfast Aid	23-100-010-3350-495	3,216.90	NA	7-1-22	6-30-23		
State School Breakfast After the Bell Aid	23-100-010-3350-495	8,636.90	NA	7-1-22	6-30-23		
State School Lunch Aid	22-100-010-3350-023	21,778.93	N/A	7-1-21	6-30-22	(3,974.99)	
State School Lunch Aid	23-100-010-3350-023	20,734.09	N/A	7-1-22	6-30-23		
Total Enterprise Fund						(3,974.99)	-
Total State Financial Assistance						\$ (2,597,757.96)	-

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

General Fund (Non-Cash Assistance):

New Jersey Department of the Treasury:

On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)

On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)

On-Behalf T.P.A.F. Non-contributory Insurance

On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)

Total General Fund (Non-Cash Assistance)

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

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Carryover / (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
	\$ 1,712,103.94									
	16,845,258.15	\$ 18,677,592.00				\$ (1,832,333.85)			\$ (1,832,333.85)	\$ 18,677,592.00
	126,496.13									
	1,157,321.93	1,283,209.00				(125,887.07)			(125,887.07)	1,283,209.00
	52,854.45									
	483,569.04	536,169.00				(52,599.96)			(52,599.96)	536,169.00
	26,893.45									
	231,648.55	256,846.00				(25,197.45)			(25,197.45)	256,846.00
-	20,636,145.64	20,753,816.00	-	-	-	(2,036,018.33)	-	-	(2,036,018.33)	20,753,816.00
	58,062.03									
	531,213.53	588,996.00				(57,782.47)			(57,782.47)	588,996.00
	12,836.00									
-	602,111.56	588,996.00	-	-	-	(57,782.47)	-	-	(57,782.47)	588,996.00
	361,045.00									
		391,484.00				(391,484.00)				391,484.00
-	361,045.00	391,484.00	-	-	-	(391,484.00)	-	-	-	391,484.00
	199,398.00									
		76,098.00				(76,098.00)				76,098.00
-	199,398.00	76,098.00	-	-	-	(76,098.00)	-	-	-	76,098.00
	58,256.80									
	1,138,433.89	1,197,075.96				(58,642.07)				1,197,075.96
-	1,196,690.69	1,197,075.96	-	-	-	(58,642.07)	-	-	-	1,197,075.96
-	100,760.00	100,760.00	-	-	-	-	-	-	-	100,760.00
	1,498,815.00	1,498,815.00								1,498,815.00
	5,627,402.00	5,627,402.00								5,627,402.00
	78,074.00	78,074.00								78,074.00
	2,186.00	2,186.00								2,186.00
-	7,206,477.00	7,206,477.00	-	-	-	-	-	-	-	7,206,477.00
-	30,302,627.89	30,314,706.96	-	-	-	(2,620,024.87)	-	-	(2,093,800.80)	30,314,706.96
	12,633.00	26,795.83								126,330.00
	726,688.80	590,556.67				(80,743.20)	\$ 216,875.33		(80,743.20)	590,556.67
-	739,321.80	617,352.50	-	-	-	(80,743.20)	216,875.33	-	(80,743.20)	716,886.67
-	6,660.00	6,653.19	-	-	-	-	6.81	-	-	6,653.19
-	89,665.00	89,665.00	-	-	-	-	-	-	-	89,665.00
-	835,646.80	713,670.69	-	-	-	(80,743.20)	216,882.14	-	(80,743.20)	813,204.86
	3,046.80	3,216.90				(170.10)				
	8,184.50	8,636.90				(452.40)				
	3,974.99									
	19,837.11	20,734.09				(896.98)				20,734.09
-	35,043.40	32,587.89	-	-	-	(1,519.48)	-	-	-	20,734.09
-	\$ 31,173,318.09	31,060,965.54	-	-	-	\$ (2,702,287.55)	\$ 216,882.14	-	\$ (2,174,544.00)	\$ 31,148,645.91

1,498,815.00  
5,627,402.00  
78,074.00  
2,186.00  
7,206,477.00  
\$ 23,854,468.54

**BOROUGH OF PINE HILL SCHOOL DISTRICT**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2023

---

**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Note 3: INDIRECT COST RATE**

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$117,390.80 for the general fund and (\$1,750,621.00) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 87,106.30	\$ 30,197,316.16	\$ 30,284,422.46
Special Revenue	4,034,719.52	835,646.80	4,870,366.32
Food Service	1,033,480.75	32,587.89	1,066,068.64
	<u>5,155,306.57</u>	<u>31,065,550.85</u>	<u>36,220,857.42</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		185,501.00	185,501.00
Encumbrances	(1,628,156.74)		(1,628,156.74)
Preschool Education Aid Carryover		(190,086.31)	(190,086.31)
	<u>(1,628,156.74)</u>	<u>(4,585.31)</u>	<u>(1,632,742.05)</u>
Total Awards and Financial Assistance Expended	<u>\$ 3,527,149.83</u>	<u>\$ 31,060,965.54</u>	<u>\$ 34,588,115.37</u>

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent transfers between federal grants, the cancellation of a grant award and minor rounding differences.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: MAJOR PROGRAMS**

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2023

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

    Material weakness(es) identified? \_\_\_\_\_ yes X no

    Significant deficiency(ies) identified? \_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

    Material weakness(es) identified? \_\_\_\_\_ yes X no

    Significant deficiency(ies) identified? \_\_\_\_\_ yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
10.553	231NJ304N1199	School Breakfast Program
10.555	231NJ304N1199	National School Lunch Program
10.555	231NJ304N1199	National School Lunch Program - Commodities
10.555	231NJ304N1199	After School Snack Program
10-555	231NJ304N1199	Supply Chain Assistance
10-556	231NJ304N1199	Special Milk Program
		Elementary and Secondary School Emergency Relief Fund:
84.425D	S425D200027	ESSER I
84.425D	S425D210027	ESSER II
84.425D	S425D210027	Learning Acceleration
84.425D	S425D210027	Mental Health
84.425U	S425U210027	ARP - ESSER III
84.425U	S425U210027	ARP - Accelerated Learning Coach & Educator Support
84.425U	S425U210027	ARP - Evidence Based Summer Learning & Enrichment
84.425U	S425U210027	ARP - Evidence Based Comprehensive Beyond the School Day
84.425U	S425U210027	ARP - NJTSS Mental Health Support Staff
84.425W	S245W210031	ARP - Homeless Children and Youth Program

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes \_\_\_ X no

Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ X none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

23-495-034-5120-078

Equalization Aid

23-495-034-5120-089

Categorical Special Education Aid

23-495-034-5120-084

Categorical Security Aid

23-495-034-5120-068

School Choice Aid

23-495-034-5120-014

Categorical Transportation Aid

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

Auditee qualified as low-risk auditee? \_\_\_ X \_\_\_ yes \_\_\_ no

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

---

***Section 2- Schedule of Financial Statement Findings***

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

**None**



**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

**None**

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

---

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

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

**None**

**BOROUGH OF PINE HILL SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

---

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

**FINANCIAL STATEMENT FINDINGS**

**Condition**

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$276,683.42.

**Current Status**

The condition has been resolved.

**FEDERAL AWARDS**

**None**

**STATE FINANCIAL ASSISTANCE**

**None**