

**Annual Comprehensive  
Financial Report  
of the**

**Pitman School District  
Pitman, New Jersey  
For The Year Ended June 30, 2023**

Prepared by  
Pitman Board of Education  
Finance Department



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# **Introductory Section**

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## PITMAN PUBLIC SCHOOLS

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

**Central Office** 420 Hudson Avenue, Pitman, NJ 08071  
**Main:** 856-589-2145  
[pitman.k12.nj.us](http://pitman.k12.nj.us)

January 5, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Pitman Public School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the 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 School District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, MD&A, and the basic financial statements; including the District-wide fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information generally presented this year on a multi-year basis. The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

### **1) REPORTING ENTITY AND ITS SERVICES**

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for eligible students (Pre-K through 12). The School District completed the 2022-2023 fiscal year with a total enrollment of 1147 students grades PK-12, including 15 out-of-district handicapped student placements, and 262 special education students in District.



# PITMAN PUBLIC SCHOOLS

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## 1) REPORTING ENTITY AND ITS SERVICES (CONTINUED)

In the 2006-2007 school year, the School District began providing child care (Panther Club) for students ages 4 through Grade 5 at each of the elementary schools, enrolling approximately 75 students. At the end of the 2022-23 school year, Panther Club had a total of approximately 154 students participating. The district also had 25 non-resident tuition paid students for the school year.

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

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

## ENROLLMENT AS OF JUNE 30

FISCAL YEAR	TOTAL STUDENT ENROLLMENT
2012-2013	1,544
2013-2014	1,505
2014-2015	1,464
2015-2016	1,430
2016-2017	1,364
2017-2018	1,327
2018-2019	1,292
2019-2020	1,236
2020-2021	1,140
2021-2022	1,163
2022-2023	1,147

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



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### 2) ECONOMIC CONDITION AND OUTLOOK

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

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

#### State Aid

State aid public for the 2022-2023 school year was \$7,307,155 which is a decrease of \$1,132,607 from 2021-2022. The School District maintains no more than 4% fund balance as required for 2021 and 2022. The percentage of debt service aid was 54.6074% of debt service revenues.

#### Special Education

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

#### Federal Funding

The District's ESEA, IDEA Basic, and IDEA Pre-School funding remained relatively flat for the 2022-2023 school year.

#### DISTRICT GOALS:

##### Strategic Planning Process

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

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

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



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### Grants

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

### Facilities

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

### 4) INTERNAL ACCOUNTING CONTROLS

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

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

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

### 5) BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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



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### 6) ACCOUNTING SYSTEM AND REPORTS

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

### 7) FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### 8) RISK MANAGEMENT

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

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

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

The Fund provides the following coverage:

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

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

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



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### 9) OTHER INFORMATION

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

### 10) CAPITAL IMPROVEMENT PLAN

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

Funds were dedicated for projects during the 2022-2023 school year from the Maintenance Reserve.

### 11) ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Pitman Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.

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

Respectfully submitted,

*Steven Crispin*

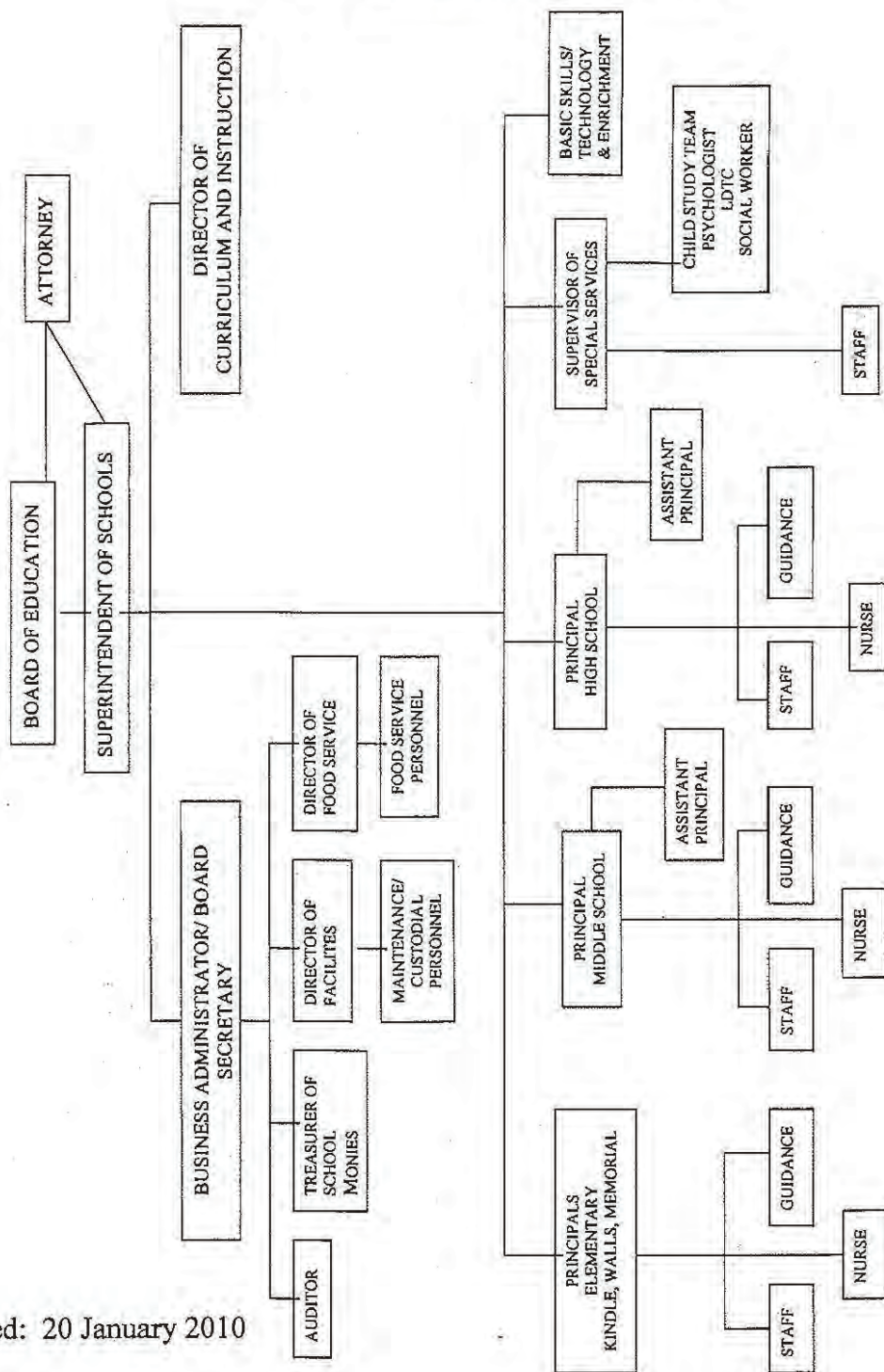
Steven Crispin  
Interim Superintendent of Schools

*Carisa Rose*

Carisa Rose  
Business Administrator/Board Secretary



## 1110 ORGANIZATIONAL CHART



Adopted: 20 January 2010



**PITMAN BOARD OF EDUCATION**  
**PITMAN, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**JUNE 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
April Miller, President	2023
Stacey Pappalardo, Vice-President	2025
Sara Boulton	2023
Melissa Farrell	2025
David Grossman	2024
Rebecca Higbee-Ionno	2024
Natalie Pote	2025

**Other Officials**

Steven Crispin., Interim Superintendent

Carisa Rose, Business Administrator/Board Secretary



**PITMAN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ford, Scott & Associates, L.L.C.  
1535 Haven Avenue  
Ocean City, New Jersey**

**ATTORNEY**

**Wade, Long, Wood & Long LLC  
Dan Long  
1250 Chews Landing Road  
Laurel Springs, New Jersey 08021**

**OFFICIAL DEPOSITORIES**

**Ocean First Bank  
271 Lambs Road  
Sewell, NJ 08080**

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## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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## **Independent Auditor's Report**

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

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, in the County of Gloucester, New Jersey, as of and for the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, 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 (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Pitman 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Pitman 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement 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 the 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

### **Other Matters**

#### **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pitman School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards 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 the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is 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 Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024 on our consideration of the Pitman 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 entity'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 Pitman School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 5, 2024

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**REQUIRED SUPPLEMENTARY INFORMATION  
PART 1**

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED**

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

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- In total, net position increased \$2,974,198, which represents an increase of approximately 57 percent from prior year.
- General revenues accounted for \$30,562,452 in revenue or 98 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$540,462 or 2 percent of total revenues of \$31,102,914.
- Total assets of governmental activities increased \$2,570,618 as cash and cash equivalents increased by \$2,043,152, receivables decreased by \$522,445, and net capital assets increased by \$980,944.
- The School District had \$28,128,716 in expenses; \$540,462 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$30,562,452 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$30,056,291 in revenues and \$29,784,107 in expenditures. The General Fund's fund balance increased \$83,058 from 2022.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pitman School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in one column. In the case of Pitman Township School District, the General Fund is by far the most significant fund.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

**Reporting the School District's Most Significant Funds (Continued)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

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

<b>Table 1 Net Position</b>		2023	2022
<b>Assets</b>			
Current and Other Assets	\$	8,884,827	7,295,153
Capital Assets		9,361,729	8,380,785
		18,246,556	15,675,938
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions		478,738	674,547
<b>Liabilities</b>			
Long-Term Liabilities		7,476,940	7,726,574
Other Liabilities		2,148,617	823,759
		9,625,557	8,550,333
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions		883,821	2,558,434
		883,821	2,558,434
<b>Net Position</b>			
Net Investment in Capital Assets		7,163,668	5,274,911
Restricted		3,392,759	4,429,831
Unrestricted		(2,340,511)	(4,463,024)
		\$ 8,215,916	\$ 5,241,718

The overall increase in net position is the result of the operations in the current year. The variance in the restricted and unrestricted net position is primarily due to the classification of committed balances reflected as restricted in the prior year.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2023 and 2022

**Table 2  
Changes in Net Position**

	2023	2022
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 612,819	265,144
Operating Grants and Contributions	(72,357)	7,360,421
General Revenues:		
Property Taxes	15,615,459	15,319,334
Grants and Entitlements	14,797,261	9,529,320
Other	149,732	388,343
Total Revenues	31,102,914	32,862,562
<b>Program Expenses</b>		
Instruction	8,570,420	10,952,155
Support Services:		
Tuition	1,043,402	
Pupils and Instructional Staff	3,529,540	3,979,359
General and School Administration, Business	1,762,874	2,016,455
Operations and Maintenance of Facilities	1,660,585	1,861,292
Pupil Transportation	626,919	344,316
Unallocated Benefits	10,067,919	8,495,868
Charter Schools		81,587
Interest on Debt	56,927	87,088
Unallocated Depreciation		608,654
Food Service	651,143	667,012
Other Enterprise	158,987	173,104
Total Expenses	28,128,716	29,266,890
Increase in Net Position	\$ 2,974,198	3,595,672

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

**Governmental Activities**

Property taxes made up 50% of revenues for governmental activities for the Pitman School District for fiscal year 2023. The School District's total governmental revenues were \$31,102,914 for the year ended June 30, 2023. Charges for services represents 2% of revenue and federal, state, and local grants accounted for another 48% of revenue.

The total cost of all program and services was \$28,128,716. Instruction comprises 31% of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service & childcare program) were comprised of charges for services and federal and state reimbursements.

- Expenses exceeded revenues by \$198,533.
- Charges for services represent \$429,134 of revenue. This represents amounts paid by patrons for daily food service and childcare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$244,517.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

**Table 3**

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 14,373,874	15,620,483	10,952,155	10,410,947
Support Services:				
Tuition	1,043,402	1,043,402		-
Student and Instructional Staff	5,501,565	4,699,192	3,979,359	3,608,483
General Administration, School				
Admin & Business Services	2,747,828	2,761,439	2,016,455	2,016,455
Operation of Plant	2,617,799	2,288,301	1,861,292	1,861,292
Pupil Transportation	977,191	982,031	344,316	344,316
Unallocated Benefits			8,495,868	2,744,950
Transfer to Charter School			81,587	81,587
Unallocated Depreciation		-	608,654	608,654
Interest and Finance Charges	56,927	56,927	87,088	87,088
Food Service	651,143	129,492	667,012	(187,740)
Childcare	158,987	6,987	173,104	65,293
Total Expenses	<u>\$ 28,128,716</u>	<u>27,588,254</u>	<u>29,266,890</u>	<u>21,641,325</u>

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

Tuition is predominately made up of charges for private schools for disabled students.

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

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

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and a loss on the disposal of capital assets.

None of the variances are unusual or unexpected.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$33,476,479 and expenditures were \$33,49,898. The net decrease in fund balance of operations for the year was (\$21,419).

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Local Sources	\$ 16,233,274	48.5%	374,381	2.4%
State Sources	15,620,020	46.7%	14,073	0.1%
Federal Sources	1,623,185	4.8%	840,995	107.5%
Total	<u>\$ 33,476,479</u>	100.0%	<u>1,229,449</u>	3.8%

The increase in State funding is due to increased on-behalf Contributions. The increase in local sources is mostly due to an increase in miscellaneous revenue.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 11,249,629	33.6%	297,474	2.7%
Undistributed expenditures	19,511,863	58.2%	1,145,210	6.2%
Capital Outlay	1,982,293	5.9%	1,781,503	887.2%
Special Schools & Charter Schools	-	0.0%	(81,587)	-100.0%
Debt Service:				
Principal	665,000	2.0%	20,000	3.1%
Interest	89,113	0.3%	(22,975)	-20.5%
Total	<u>\$ 33,497,898</u>	100.0%	<u>3,139,625</u>	10.3%

Changes in expenditures were the results of varying factors. The significant change in Capital Outlay is partly due to current construction projects going on within District.

**General Fund Budgeting Highlights**

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

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

Over the course of the year, the School District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line-item accounts.

- On-behalf TPAF Pension contributions appear as both a revenue and an expense in the School District's financial statements. The State of New Jersey made on behalf TPAF Pension Contributions of \$4,202,082 for FY 2023 and also made on-behalf TPAF post-retirements contributions of \$1,103,877 and long-term disability insurance for the School District in the amount of \$877.
- The State of New Jersey reimbursed the District for TPAF Social Security contributions made during the school year. The amount of \$844,350.

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$9,361,728 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to 2022.

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

	2023	2022
Land	\$ 101,593	101,593
Construction in Progress	604,001	855,817
Land Improvements	33,456	25,731
Building & Building Improvements	7,791,556	6,738,185
Machinery and Equipment	831,122	659,459
Total	<u>\$ 9,361,728</u>	<u>8,380,785</u>

**Debt Administration**

At June 30, 2023, the School District had the following outstanding long term liabilities.

**Table 5  
Bonded Outstanding Debt as of June 30,**

	2023	2022
2016 General Obligation Bonds	\$ 1,980,000	2,645,000
Unamortized Bond Premiums	154,004	205,339
Lease Agreement		408,574
Subscription Arrangements	76,081	
Pension liability	4,740,666	3,654,874
Compensated Absences	347,353	499,807
Total	<u>\$ 7,298,104</u>	<u>7,413,594</u>

As of June 30, 2023, the School District was within its overall legal debt margin.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

**For the Future**

At the time these financial statements were prepared and audited, the School District was aware of the following existing circumstances that could significantly affect its financial health in the future:

P.L. 2004 restricts increases to budgets in total administrative costs (including fixed charges). This has and will continue to present challenges to the budgeting process. Special Education costs are an issue during each budgeting cycle. The School District has experienced the need for additional resources for in-house programs.

Reduction in School Funding (Senate Bill 2- adjustment aide phase out), the reduction of state aid about (\$3.8 million over several years) has created significant challenges in meeting operational costs. The district has made large cuts to teaching staff, with more cuts expected. The district has reconfigured our elementary grade configuration to create staff and program efficiencies. These cuts have resulted in flat or negative revenue for the past few years, making it difficult to preserve programs. The district has been faced with configuration changes, and the closing of multiple schools in 2023.

The district has experienced sizeable enrollment declines for several years. However, due to the implementation of the preschool expansion aide and our existing K-12 tuition program, the district has approximately 25 tuition students. Continuing decreases have impacted district staffing levels and program offerings. 31 staffing positions were reduced for 2023-2024 school year including, support staff positions, and administrative positions were also impacted.

On September 29, 2009, the Board passed a bond referendum for the funding of installation of solar panels on the Pitman High School roof. In future years the School District will generate Solar Renewable Energy Credits (SREC's) on the open market. This revenue source will be used to refund our budgeted energy costs. The SREC market has been depressed in recent years, reducing those revenues; the SREC program will be transitioning to a new program (SREC), with a more modest rebate to districts expected.

The district is evaluating potential referenda and/or capital improvements, as old debt will be reduced in 2024-2025. Beginning in 2023-24, Memorial School is the early childhood center, Pitman Middle School was reconfigured to Pitman Elementary housing students grades 2-6 and Pitman High school was reconfigured to the Jr./Sr. High School housing grades 7-12. Walls and Kindle Schools were closed. These moves facilitated staffing cuts and other efficiencies.

The State Legislature enacted a 2% cap on property tax increases that was in effect with the development of school district budgets for the 2023-2024 school year. Currently the district has no additional flexibility in the form of banked cap to add revenue.

Legislation enacted in June 2011 sets employee contribution rates towards the cost of health benefits over a four-year phase-in period. This phase-in period is complete, with all employee contributions at the highest tier. While these contributions helped offset annual increases in premiums, the average rate of increases has exceeded the expected contributions, as well as the annual increase pool of contributions. Chapter 44 legislation has impacted the district by increased board costs of approximately \$100,000. The district participated in the Healthcare Trust and our base healthcare plans are already less costly than the proposed NJEHP and Garden State Plans. Due to expected opt in to those plans, employee contributions are expected to decline further, thereby shifting the difference to the Board of Education to pay.

Since 2011-12, the School District has joined with approximately 30 other districts as part of a health insurance trust in an effort to better control annual premium increases.

The 2011 closing of the former Sony DADC plant (largest taxpayer) has impacted the development of school budgets. This is due to tax settlements between the plant's owner and the municipality that lowered their tax burden from prior years. As payment from the largest ratable in the community, it is also

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023  
UNAUDITED (CONTINUED)**

possible that tax abatements or similar incentives might be necessary to attract a future tenant to purchase and develop the property. Currently, there are no firm plans to develop the property, but several concepts have been discussed.

**Contacting the School District's 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 Business Administration/Board Secretary at Pitman Board of Education, 420 Hudson Avenue, Pitman NJ 08071. Please visit our website at <https://www.pitman.k12.nj.us>.

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# **BASIC FINANCIAL STATEMENTS**

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**PITMAN SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,376,306	459,463	7,835,769
Receivables, Net	944,258	16,542	960,800
Inventory		12,177	12,177
Subscription Assets	76,081		76,081
Capital Assets			
Non-Depreciated Assets	705,594		705,594
Capital Assets being Depreciated, net	8,488,276	167,859	8,656,135
<b>Total Assets</b>	<b>17,590,515</b>	<b>656,041</b>	<b>18,246,556</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	363,959		363,959
Loss on Refunding Bonds	114,779	-	114,779
<b>Total Deferred Outflows of Resources</b>	<b>478,738</b>	<b>-</b>	<b>478,738</b>
<b>LIABILITIES</b>			
Accounts Payable	556,685	2,303	558,988
Payroll Taxes Payable	15,547		15,547
Unearned Revenue	1,534,255	9,160	1,543,415
Accrued Interest	30,667		30,667
Noncurrent Liabilities			
Due Within One Year	776,081		776,081
Due Beyond One Year	1,960,193		1,960,193
Net Pension Liability	4,740,666		4,740,666
<b>Total Liabilities</b>	<b>9,614,094</b>	<b>11,463</b>	<b>9,625,557</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	883,821		883,821
<b>Total Deferred Outflows of Resources</b>	<b>883,821</b>	<b>-</b>	<b>883,821</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,995,809	167,859	7,163,668
Restricted for:			
Capital Projects	2,376,064		2,376,064
Maintenance Reserve	536,308		536,308
Unemployment Claims	378,953		378,953
Scholarships	25,225		25,225
Student Activities	76,209		76,209
Unrestricted (Deficit)	(2,817,230)	476,719	(2,340,511)
<b>Total Net Position (Deficit)</b>	<b>\$ 7,571,338</b>	<b>644,578</b>	<b>8,215,916</b>

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

**PITMAN SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Costs Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	5,060,070	3,452,915	99,566	(1,741,039)	(10,154,458)	-	(10,154,458)
Special Education	2,987,237	2,000,261	84,119	487,363	(4,416,016)		(4,416,016)
Other Special Instruction	523,113	350,278		(176,618)	(1,050,009)		(1,050,009)
<b>Support Services:</b>							
Tuition	1,043,402	-			(1,043,402)		(1,043,402)
Student & Instruction Related Services	3,529,540	1,972,025		802,373	(4,699,192)		(4,699,192)
General Administration and Business Services	428,779	239,568		(3,310)	(671,657)		(671,657)
School Administrative Services	1,098,289	613,637		(8,480)	(1,720,406)		(1,720,406)
Plant Operation and Maintenance	1,660,585	957,214		329,498	(2,288,301)		(2,288,301)
Pupil Transportation	626,919	350,272		(4,840)	(982,031)		(982,031)
Central Services	235,806	131,749		(1,821)	(369,376)		(369,376)
Unallocated Benefits	10,067,919	(10,067,919)			-		-
Interest on Long-Term Debt	56,927				(56,927)		(56,927)
<b>Total Governmental Activities</b>	<u>27,318,586</u>	<u>-</u>	<u>183,685</u>	<u>(316,874)</u>	<u>(27,451,775)</u>	<u>-</u>	<u>(27,451,775)</u>
<b>Business-Type Activities:</b>							
Food Service	651,143		277,134	244,517		(129,492)	(129,492)
Before/After School (Panther Club)	158,987		152,000			(6,987)	(6,987)
Total Business-Type Activities	<u>810,130</u>	<u>-</u>	<u>429,134</u>	<u>244,517</u>	<u>-</u>	<u>(136,479)</u>	<u>(136,479)</u>
Total Primary Government	<u>28,128,716</u>	<u>-</u>	<u>612,819</u>	<u>(72,357)</u>	<u>(27,451,775)</u>	<u>(136,479)</u>	<u>(27,588,254)</u>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes					15,190,141		15,190,141
Taxes Levied for Debt Service					425,318		425,318
Federal and State Aid not Restricted					14,797,261		14,797,261
Investment Earnings					30,502		30,502
Restricted Revenue					2,945		2,945
Miscellaneous Income					178,339		178,339
<b>Special Items:</b>							
Fixed Asset Adjustments						25,909	25,909
Prior Year Receivables Canceled						(87,963)	(87,963)
Total General Revenues, Special Items, Extraordinary Items and Transfers Change in Net Position					<u>30,624,506</u>	<u>(62,054)</u>	<u>30,562,452</u>
Net Position (Deficit) - Beginning, As Restated					3,172,731	(198,533)	2,974,198
Net Position (Deficit) - Ending					4,398,607	843,111	5,241,718
Net Position (Deficit) - Ending					<u>7,571,338</u>	<u>644,578</u>	<u>8,215,916</u>

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

**PITMAN SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,269,608	\$ 106,698	\$ 7,376,306
Due from Other Funds	253,996		253,996
Intergovernmental Accounts Receivable			
Federal		668,823	668,823
State	203,706		203,706
Other Receivables	71,729		71,729
Total Assets	<u>7,799,039</u>	<u>775,521</u>	<u>8,574,560</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	254,801	301,884	556,685
Due to Other Funds		253,996	253,996
Payroll Taxes Payable	15,547		15,547
Unearned Revenue	1,312,377	221,878	1,534,255
Total Liabilities	<u>1,582,725</u>	<u>777,758</u>	<u>2,360,483</u>
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	0		0
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	-		-
Capital Reserve	2,376,064		2,376,064
Maintenance Reserve	536,308		536,308
Unemployment Claims	378,953		378,953
Student Activities		76,209	76,209
Scholarships		25,225	25,225
Assigned to:			
Designated for			
Subsequent Year's Expenditures	1,599,572		1,599,572
Other Purposes	525,293		525,293
Unassigned			
General Fund	800,124		800,124
Special Revenue Fund		(103,671)	(103,671)
	<u>6,216,314</u>	<u>(2,237)</u>	<u>6,214,077</u>
Total Liabilities and Fund Balances	<u>\$ 7,799,039</u>	<u>\$ 775,521</u>	

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 \$25,411,229 and the accumulated depreciation is \$16,217,359.	9,193,870
Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	76,081
Deferred Inflows of Resources - Loss on Refunding Bond Issue is not a resource in the funds and therefore not reported as a debit in the funds.	114,779
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(30,667)
Receivable for deferred tuition adjustment is not recorded in the governmental funds, but is recorded as an asset on the district-wide financial statements.	
Pension Liabilities Net of Deferred Outflows & Inflows	(5,260,528)
Long-term liabilities, including bonds and capital lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,736,274)
Net Position of governmental activities	<u>7,571,338</u>

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

**PITMAN SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 15,190,141	-	425,318	15,615,459
Tuition Charges	183,685			183,685
Interest Earned on Investments	30,502			30,502
Other Restricted Miscellaneous Revenues	2,945			2,945
Miscellaneous	178,339	222,344		400,683
Total Local Sources	15,585,612	222,344	425,318	16,233,274
State Sources	14,410,859	882,579	326,582	15,620,020
Federal Sources	59,820	1,563,365		1,623,185
Total Revenues	30,056,291	2,668,288	751,900	33,476,479
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	6,693,258			6,693,258
Special Education Instruction	2,381,440	1,495,940		3,877,380
Other Special Instruction	678,991			678,991
Support Services:				
Tuition	1,043,402			1,043,402
Student & Instruction Related Serv.	2,699,420	1,123,226		3,822,646
General Administrative Services	464,387			464,387
School Administrative Services	1,189,496			1,189,496
Plant Operation and Maintenance	1,855,500			1,855,500
Pupil Transportation	678,981			678,981
Central Services	255,388			255,388
Unallocated Employee Benefits	10,202,063			10,202,063
Debt Service:				
Principal			665,000	665,000
Interest and Other Charges	2,213		86,900	89,113
Capital Outlay	1,639,568	342,725		1,982,293
Total Expenditures	29,784,107	2,961,891	751,900	33,497,898
Excess (Deficiency) of Revenues Over Expenditures	272,184	(293,603)	-	(21,419)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in		189,126	-	189,126
Transfer out	(189,126)			(189,126)
Total Other Financing Sources and Uses	(189,126)	189,126	-	-
Net Changes in Fund Balance	83,058	(104,477)	-	(21,419)
Fund Balance - July 1	6,133,256	102,240	-	6,235,496
Fund Balance - June 30	\$ 6,216,314	(2,237)	-	6,214,077

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

**PITMAN SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

Total Net Change in Fund Balance - Governmental Funds (from B-2) (21,419)

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

Capital outlays are reported in governmental funds as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	(651,975)	
Amortization expense	(96,594)	
Capital Outlay	<u>1,626,361</u>	

877,792

Repayment of bond principal and capital leases are expenditures 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.

Principal Repayments:

Bonds Payable	665,000	
Lease Liability	408,574	
Subscription Liability	96,594	

Governmental funds report the effect of premiums, discounts and similar items when debt is 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 Premium	51,335	
Amortization of Gain on Refunding Bonds	<u>(38,260)</u>	

13,075

Governmental funds report district pension contributions as expenditures.

However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.

District pension contributions - PERS	431,272	
Cost of benefits earned net of employee contributions	<u>396,134</u>	

827,406

OPEB expenditures in the Statement of Activities differs from the amounts reported ub the Governmental Funds because OPEB is recorded based on contributions made, and thus requires the use of current financial resources. In the Statement of Activities, however, OPEB is recognized based on the annual required contributions.

134,144

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

152,454

In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

19,111

Change in Net Position of Governmental Activities

3,172,731

**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2023**

	Business-Type Activities - Enterprise Fund		
	Food Service	Before/After School	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	314,127	145,336	459,463
Intergovernmental Accounts Receivable			-
Federal	7,723		7,723
State	395		395
Other	8,424		8,424
Inventories	12,177		12,177
Total Current Assets	<u>342,846</u>	<u>145,336</u>	<u>488,182</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	385,288		385,288
Less: Accumulated Depreciation	(217,429)		(217,429)
Total Noncurrent Assets	<u>167,859</u>	<u>-</u>	<u>167,859</u>
Total Assets	<u><u>510,705</u></u>	<u><u>145,336</u></u>	<u><u>656,041</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,485	818	2,303
Unearned Revenue	9,160		9,160
Total Current Liabilities	<u>10,645</u>	<u>818</u>	<u>11,463</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets			
Related Debt	167,859	-	167,859
Unrestricted	332,201	144,518	476,719
Total Net Position	<u><u>500,060</u></u>	<u><u>144,518</u></u>	<u><u>644,578</u></u>

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

**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Fund		
	Food Service	Before/After School	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Reimbursable Program Daily Sales	\$ 153,451	-	153,451
Non-Reimbursable Program Daily Sales	110,038		110,038
Special Functions	2,654		2,654
Miscellaneous	10,991		10,991
Program Revenue		152,000	152,000
<b>Total Operating Revenue</b>	<b>277,134</b>	<b>152,000</b>	<b>429,134</b>
Operating Expenses:			
Cost of Sales-Reimbursable	159,781		159,781
Cost of Sales- Non Reimbursable	56,903		56,903
Salaries and Wages	217,923	140,450	358,373
Fringe Benefits	25,891	10,744	36,635
Purchased Professional/Technical Services	34,767		34,767
Other Purchased Services (400-500 series)	100	4,089	4,189
Supplies and Materials	129,530	2,500	132,030
Depreciation	19,351		19,351
Miscellaneous	6,897	1,204	8,101
<b>Total Operating Expenses</b>	<b>651,143</b>	<b>158,987</b>	<b>810,130</b>
<b>Operating (Loss)</b>	<b>(374,009)</b>	<b>(6,987)</b>	<b>(380,996)</b>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	6,285		6,285
State School Breakfast Program	1,159		1,159
Federal Sources:			
National School Lunch Program	133,146		133,146
School Breakfast Program	19,778		19,778
Food Distribution Program	45,777		45,777
COVID-19 - Supply Chain	38,372		38,372
Prior Year Receivables Canceled	(87,963)		(87,963)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>156,554</b>	<b>-</b>	<b>156,554</b>
<b>Income (Loss) before Contributions &amp; Transfers</b>	<b>(217,455)</b>	<b>(6,987)</b>	<b>(224,442)</b>
<b>Fixed Asset Adjustment</b>	<b>25,909</b>		<b>25,909</b>
<b>Changes in Net Position</b>	<b>(191,546)</b>	<b>(6,987)</b>	<b>(198,533)</b>
<b>Total Net Position - Beginning</b>	<b>691,606</b>	<b>151,505</b>	<b>843,111</b>
<b>Total Net Position - Ending</b>	<b>\$ 500,060</b>	<b>144,518</b>	<b>644,578</b>

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

**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Fund		
	Food Service	Latchkey	Totals Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Other Income	\$ 276,275	\$ 152,000	\$ 428,275
Payments to Suppliers	(358,984)	(6,975)	(365,959)
Payments for Employees and Benefits	(243,814)	(151,194)	(395,008)
Net Cash Provided by Operating Activities	<u>(326,523)</u>	<u>(6,169)</u>	<u>33,267</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	7,826		7,826
Federal Sources	258,888		258,888
Net Cash Provided by Noncapital Financing Activities	<u>266,714</u>	<u>-</u>	<u>266,714</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest and Dividends		-	-
Purchase of Equipment		-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	(59,809)	(6,169)	(65,978)
Balance - Beginning of Year	373,936	151,505	525,441
Balance - End of Year	<u>\$ 314,127</u>	<u>\$ 145,336</u>	<u>\$ 459,463</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	(374,009)	(6,987)	(380,996)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	19,351		19,351
Food Distribution Program	45,777		45,777
(Increase) Decrease in Inventories	7,113		7,113
(Increase) Decrease in Accounts Receivable	(7,691)		(7,691)
Increase (Decrease) in Accounts Payable	(23,896)	818	(23,078)
Increase (Decrease) in Unearned Revenue	6,832		6,832
Total Adjustments	<u>47,486</u>	<u>818</u>	<u>48,304</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (326,523)</u>	<u>\$ (6,169)</u>	<u>\$ (332,692)</u>

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



## **NOTES TO THE FINANCIAL STATEMENTS**

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**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Pitman Borough School District is an instrument of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the School District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the School District.

The financial statements of the Board of Education (Board) of the Pitman Borough School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

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

**A. REPORTING ENTITY**

The Pitman Borough School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The members are elected during the general election held in November each year. The purpose of the district is to educate students in grades PreK-12. The Pitman Borough School District had an enrollment at June 30, 2023, of 1,147 students.

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

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

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

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The School District's food service program and childcare program is classified as business-type activities.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School District's functions and business-type activities (food service & childcare). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

- b. Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Fund Balances – Governmental Funds**

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

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

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**2. Proprietary Funds:**

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

- a. Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The School

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

District operates a food service fund to provide a child nutrition program for the students of the district. The School District also operates a Before/After School Program.

All fund internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the School District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	6,492
Supplies		5,685
	\$	12,177

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2023 is \$0.

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The School District includes all infrastructure assets as depreciable assets in the financial statements.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses, and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. Compensated Absences:**

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.



**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs - Instruction	
Grades 6-8 Salaries of Teachers	\$ (231,276)
Undist. Expend. - Student Transportation Services	
Contr. Srv, (Special Ed Students) - Vendors	185,710
Capital Outlay	
Construction Services	321,003
Lease/Purchase Principal	209,624

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

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

**10. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with various Boards of Education with a negotiated amount up to the final cost as determined by State of New Jersey.

**11. Tuition Payable:**

Tuition charges for the fiscal years 2022/23 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates:**

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

**13. Allocation of Costs:**

In the government-wide statement of activities, the School District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**F. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription Based Information Technology Arrangements". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2023.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter. This standard did not have any effect on the School District's financial reporting.

**G. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the School District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods, thereafter, will not have any effect on the School District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods, thereafter, will not have any effect on the School District's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the School District's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter, will not have any effect on the School District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter, will not have any effect on the School District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, and all reporting periods, thereafter, will not have an significant effect on the District's financial reporting.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2 – CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$548,124 of the School District's bank balance of \$8,156,100 was exposed to custodial credit risk.

**NOTE 3 - INVESTMENTS**

As of June 30, 2023, the District had no investments:

**Interest Rate Risk.** The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The district places no limit on the amount the district may invest in any one issuer.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2023, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Business-Type Activities Financial Statements	Government Wide Financial Statements
	<u>                    </u>	<u>                    </u>	<u>                    </u>
State Aid	\$ 203,706	\$ 395	\$ 204,101
Federal Aid	668,823	7,723	676,546
Other	<u>71,729</u>	<u>8,424</u>	<u>80,153</u>
Gross Receivables	944,258	16,542	960,800
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$ 944,258</u></u>	<u><u>\$ 16,542</u></u>	<u><u>\$ 960,800</u></u>

**PITMAN BOROUGH SCHOOL DISTRICT  
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**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2023, interfunds remained on the various balance sheets as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 253,996	\$
Special Revenue Fund		253,996
	\$ 253,996	\$ 253,996

The interfund owed to the special revenue interfund is to zero out the negative cash balance.

**NOTE 6 – CAPITAL ASSETS**

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

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NOTES TO FINANCIAL STATEMENTS  
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 101,593	\$	\$	\$ 101,593
Construction in Progress	855,817	-	(251,816)	604,001
Total capital assets not being depreciated	<u>957,410</u>	<u>-</u>	<u>(251,816)</u>	<u>705,594</u>
Capital assets being depreciated:				
Land Improvements	925,211	13,900		939,111
Buildings and building improvements	19,631,722	1,576,602		21,208,324
Equipment	2,270,525	287,675		2,558,200
Total capital assets being depreciated at	<u>22,827,458</u>	<u>1,878,177</u>	<u>-</u>	<u>24,705,635</u>
Less accumulated depreciation for:				
Land Improvements	(899,480)	(6,175)		(905,655)
Buildings and improvements	(12,893,537)	(523,231)		(13,416,768)
Equipment	(1,772,367)	(122,569)		(1,894,936)
Total accumulated depreciation	<u>(15,565,384)</u>	<u>(651,975)</u>	<u>-</u>	<u>(16,217,359)</u>
Governmental activity capital assets, net	<u>\$ 8,219,484</u>	<u>\$ 1,226,202</u>	<u>\$ (251,816)</u>	<u>\$ 9,193,870</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 349,736	\$ 35,552	\$	\$ 385,288
Less accumulated depreciation	(188,435)	(28,994)		(217,429)
Enterprise Fund capital assets, net	<u>161,301</u>	<u>6,558</u>	<u>-</u>	<u>167,859</u>

Depreciation expense was charged to governmental functions:

**PITMAN BOROUGH SCHOOL DISTRICT  
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Regular Instruction	\$	223,602
Special Education Instruction		129,532
Other Special Instruction		22,683
Student and Instruction Related Services		127,704
General Administration		15,514
School Administrative Services		39,738
Plant Operations and Maintenance		61,987
Pupil Transportation		22,683
Central Services		8,532
	\$	651,975

:

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$86,900, for the entity wide statements this was modified by the change in accrued interest of (\$19,111); amortization of premium on bond sale of (\$51,335); amortization of gain on refunding \$38,260 and the state charge back to the School District for debt service aid of \$2,213 for a total charge of \$56,927.

**NOTE 7 – LONG-TERM OBLIGATIONS**

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

	Balance July 1, 2022	Issues or Additions	Payments or Expenditures	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 2,645,000	\$	\$ 665,000	\$ 1,980,000	\$ 700,000
Financed Purchases	408,574		408,574	-	
Subscription Liabilities		172,675	96,594	76,081	76,081
Unamortized Bond Premiums	205,339		51,335	154,004	
Compensated Absences	499,807		152,454	347,353	
Other Post-Employment Benefits	312,980		134,144	178,836	
Net Pension Liability	3,654,874	1,085,792		4,740,666	
	\$ 7,726,574	\$ 1,258,467	\$ 1,508,101	\$ 7,476,940	\$ 776,081

Compensated absences and Net Pension Liability have been liquidated in the General Fund.

Bonds Payable

Bonds 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 District are general obligation bonds.

At June 30, 2023 bonds payable consisted of the following issues:

\$5,860,000 Refunding Bonds dated June 2, 2016, due in annual installments through August 1, 2025, bearing interest at rates ranging from 3.00% to 4.00%. The balance remaining as of June 30, 2023, is \$1,980,000.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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Debt service requirements on serial bonds payable at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 700,000.00	\$ 59,600.00	\$ 759,600.00
2025	720,000.00	31,200.00	751,200.00
2026	<u>560,000.00</u>	<u>8,400.00</u>	<u>568,400.00</u>
	<u>\$ 1,980,000.00</u>	<u>\$ 99,200.00</u>	<u>\$ 2,079,200.00</u>

Financed Purchases Payable

The District entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of their inception. The district has determined the accumulated amortization to be immaterial to the government-wide financial statements and has elected to record the remaining payments in full. The lease was paid in full during FY 2023.

**NOTE 8 – UNEARNED REVENUE**

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$1,543,415. This consists of unearned revenue of \$1,312,377 in the general fund for July 2023 tax revenue and summer childcare, \$221,878 in the special revenue fund which is made up of grant proceeds on hand where the grant period overlaps the district's fiscal year and \$9,160 in the food service fund for student meals prepaid.

**NOTE 9 – PENSION PLANS**

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Defined Contribution Retirement Program (DCRP)*

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has employees enrolled in the Defined Contribution Retirement Program (DCRP) for the fiscal year ended June 30, 2023.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 were \$5,306,836, \$5,241,897 and \$4,282,240 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2023, 2022 and 2021 were \$396,134, \$361,312, and \$341,107 respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2023, was \$15,859,477. The TPAF covered payroll for the years ending June 30, 2023, 2022 and 2021 were \$11,537,022, \$11,695,361, and \$11,259,384. and the PERS covered payroll was \$2,372,787, \$2,299,571, and \$2,228,481.

During the fiscal years ended June 30, 2023, 2022 and 2021, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$844,350, \$856,052, and \$865,106, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB standards.

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



**PITMAN BOROUGH SCHOOL DISTRICT  
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seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be

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used to calculate a pension from these plans at the annual wage contribution base for social security and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 10 – PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2022:

**Public Employees' Retirement System**

The District has a liability of \$4,740,666 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion is 0.03141307810%, which is an increase of 1.82% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$431,272. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 34,216	\$ (30,174)
Changes of assumptions	14,688	(709,865)
Net difference between projected and actual earnings on pension plan investments	196,212	-
Changes in proportion	118,843	(143,782)
Total	\$ 363,959	\$ (883,821)

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

Year ended June 30,		
2024	\$	(475,182)
2025		(175,007)
2026		(12,296)
2027		143,741
2028		(1,117)
Total	\$	<u>(519,862)</u>

**Actuarial Assumptions**

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

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increases:		2.75% – 6.55% (based on years of service)
Investment rate of return:		7.00%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 5,685,031	\$ 4,740,666	\$ 3,937,867

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

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**NOTE 11 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

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

The amount recognized by the School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		<u>52,504,600.00</u>
Total	\$	<u>52,504,600.00</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$1,413,045 and revenue of \$1,413,045 for support provided by the State.

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

Inflation Rate		
Price		2.75%
Wage		3.25%
Salary increases		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

*Discount rate.*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability associated with the District	\$ 61,562,759.24	\$ 52,504,600.00	\$ 44,874,239.03

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	5,004,259,312
Deferred inflows of resources		19,682,774,794
Net pension liability		51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

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

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

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30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget’s Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State’s most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years



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*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. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% 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 4.5% 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 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Balance at 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 50,646,462,966.00</u>

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*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of (\$139,123) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,042,402,619.00	\$ (15,462,950,679.00)
Changes in assumptions	8,765,620,577.00	(17,237,289,230.00)
	<u>\$ 17,808,023,196.00</u>	<u>\$ (32,700,239,909.00)</u>

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

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Year Ended June 30,	
2023	\$ (2,517,151,602.00)
2024	(2,517,151,602.00)
2025	(2,517,151,602.00)
2026	(2,175,449,761.00)
2027	(1,243,951,140.00)
Thereafter	<u>(3,921,361,006.00)</u>
	<u>\$ (14,892,216,713.00)</u>

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

**POST-EMPLOYMENT HEALTHCARE PLAN FOR FORMER ADMINISTRATORS**

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

**Funding Policy** - Retirees contribute \$25 per month towards their healthcare premiums, which cover medical, prescription drug, and vision benefits. The rest of the premiums are paid by the Board. The individual contribution requirements of the healthcare plan were established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2023 the School District contributed \$32,200 to the plan for current premiums.

As of June 30, 2023, there were 2 retirees receiving post-retirement healthcare benefits under this plan.

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

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

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

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

**GASB 75 Discount Rate** -The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AaA or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the “20-Bond GO Index” to establish a discount rate of 3.65% as of the valuation date.

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

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

**Monthly Per Capita Claims Cost –**

Period	AmeriHealth Traditional	Horizon Medicare Blue
July 1, 2022-June 30, 2023	\$1,125.34	\$262.63
July 1, 2023-June 30, 2024	\$1,226.62	N/A

Future premium rates are assumed to increase with trend.

**Demographic Assumptions**

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

**Retirement Rates – N/A**

**Withdrawal – N/A**

**Participation Rates N/A**

**Spousal/Dependent Coverage – None**

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

**Decrement Timing** - All decrements and benefit payments are assumed to occur at the middle of the year.

**Changes Since Prior Valuation** - We revised the discount rate from 2.15% to 3.35% to reflect the current interest rate environment.

**Methods**

**GASB 75 Actuarial Cost Method** - The actuarial cost method used to determine the plan’s cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this

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actuarial present value not provided for at the valuation date by the actuarial present value of future service costs.

	6/30/2022	6/30/2023
Total OPEB Liability at beginning of year	\$ 495,390	312,980
Changes for the year:		
Service cost	0	0
Interest cost	9,939	9,945
Benefit payments	(66,206)	(32,200)
Administrative expenses	0	0
Actuarial assumption changes	(23,684)	(2,656)
Actuarial demographic (gain) or loss	(102,459)	(109,233)
Net changes	(182,410)	(134,144)
Total OPEB Liability at end of year	\$ 312,980	\$ 178,836
Change in plan fiduciary net position		
Employer contributions	66,206	32,200
Benefit payments	(66,206)	(32,200)
Net OPEB at end of year	\$ 312,980	\$ 178,836
Net OPEB liability at end of year calculated using a discount rate that is:		
1-Percentage-point higher	299,274	170,413
1-Percentage-point lower	327,767	187,903
Net OPEB liability at end of year calculated using a healthcare cost trend rate that is		
1-Percentage-point higher	325,924	186,833
1-Percentage-point lower	300,694	171,224

**NOTE 13 – COMPENSATED ABSENCES**

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable fund's total liabilities, and therefore is not shown separately from the long-term liability of compensated absences. The amount as of June 30, 2023 was \$347,353.

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

**NOTE 14 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit

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participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.  
Metlife Universal-Travelers  
Met Life  
Voya Financial

**NOTE 15 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the inclusion of \$100,000.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, 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 account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$	3,286,544
Deposits		
Interest earned	\$	234
Deposits approved by Board		414,655
Return of Unspent Funds		104,981
		519,870
Withdrawals:		
Budget Withdrawals		(1,430,350)
Ending balance, June 30, 2023	\$	2,376,064

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 16 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2022	\$	665,039
Increased by:		
Return of Unspent Funds		13,869
Decreased by:		
Budget Withdrawals		(142,600)
Ending balance, June 30, 2023	\$	536,308

**NOTE 17 – COMMITMENTS**

The School District did not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Projects Fund. Encumbrances in the Special Revenue Fund are reflected as unearned revenue. Reserved for Encumbrances as of June 30<sup>th</sup> are as follows;

Fund	Amount
General Fund Encumbered Orders	\$ 525,293

Of the general fund encumbrances, \$433,069 is for capital outlay.

**NOTE 18 – 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 District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's Unemployment Compensation fund for the current and prior year:

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Fiscal Year	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2022-2023	\$ 27,135	\$ 1,650	\$ 25,840	\$ 378,953
2021-2022	36,212	358	11,224	376,008
2020-2021	24,360	764	10,269	350,662

**NOTE 19 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 20 – FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$6,216,314 General Fund - Fund balance, at June 30, 2023, \$525,293 is reserved for encumbrances; \$0 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$0 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024), \$2,376,064 has been reserved in the Capital Reserve Account; \$536,308 has been reserved in a Maintenance Reserve Account; \$378,953 has been reserved in Unemployment Claims; and \$800,124 is classified as Unassigned.

**Special Revenue Fund** – Of the (\$2,237) Special Revenue Fund, Fund Balance as of June 30, 2023, \$76,209 is restricted for Student Activities and \$25,225 is restricted for Scholarships.

**NOTE 21 – CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$0.

**NOTE 22 – LITIGATION**

As of the date of this report, the Pitman Borough Board of Education is not currently involved in any litigation.

**NOTE 23 – ECONOMIC DEPENDENCY**

The School District receives support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the School District's programs and activities.



**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 24 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The School District has entered into Subscription-Based Information Technology Arrangements (SBITAs) involving:

- Education Software
- Various desktop and server software subscriptions

The total of the School District’s subscription’s assets are recorded at a cost of \$283,414, less accumulated amortization of \$207,333.

The future subscription payments under SBITA agreements are as follows:

	Principal		Subscriptions Interest		Total
2024 \$	76,080	\$	-	\$	76,080
	76,080	\$	-	\$	76,080
	76,080	\$	-	\$	76,080

**NOTE 25 – SUBSEQUENT EVENT**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2023 through January 5, 2024, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

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**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 15,190,141		\$ 15,190,141	\$ 15,190,141	
Tuition from Individuals	140,000		140,000	99,566	(40,434)
Tuition from Other LEAS			-	84,119	84,119
Interest Earned on Investments			50	30,314	30,314
Interest Earned on Capital Reserve	50			188	138
Other Restricted Miscellaneous Revenues				2,945	2,945
Unrestricted Miscellaneous	180,900		180,900	178,339	(2,561)
Total Local Sources	15,511,091	-	15,511,091	15,585,612	74,521
State Sources:					
Categorical Special Education Aid	925,239		925,239	925,239	
Security Aid	142,285		142,285	142,285	
Transportation Aid	148,522		148,522	148,522	
Equalization Aid	5,766,740		5,766,740	5,766,740	
Extraordinary Aid	170,000		170,000	201,096	31,096
Alyssa Law Grant		70,277	70,277		(70,277)
Supplemental Stabilization Aid			-	973,152	973,152
TPAF Pension (On-Behalf - Non-Budgeted)				4,202,082	4,202,082
TPAF Post-retirement (On-Behalf - Non-Budgeted)				1,103,877	1,103,877
TPAF Long Term Disability Insurance				877	877
TPAF Social Security (Reimbursed-Non-Budgeted)					
Total State Sources	7,152,786	70,277	7,223,063	844,350	844,350
Federal Sources:					
Medicaid Reimbursement	47,304		47,304	52,424	5,120
Medicaid SEMI COVID-19	47,304		47,304	7,396	7,396
Total Federal Sources	94,608	-	94,608	59,820	12,516
Total Revenues	22,711,181	70,277	22,781,458	29,953,652	7,172,194

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten - Salaries of Teachers	324,451	34,036	358,487	358,487	
Grades 1 - 5 Salaries of Teachers	2,194,361	(42,856)	2,151,505	2,151,505	
Grades 6 - 8 Salaries of Teachers	1,790,376	(231,276)	1,559,100	1,559,100	
Grades 9 - 12 Salaries of Teachers	2,081,993	(14,233)	2,067,760	2,067,760	
Regular Programs - Home Instruction					
Salaries of Teachers	5,850	(2,495)	3,355	3,355	
Purchased Professional - Educational Services	10,000	1,991	11,991	9,018	2,973
Regular Programs - Undistributed Instruction					
Purchased Technical Services	277,851	(29,412)	248,439	214,215	34,224
Other Purchased Services (400-500 series)	64,197	6,076	70,273	60,017	10,256
General Supplies	238,100	16,117	254,217	214,273	39,944
Textbooks	67,937		67,937	55,528	12,409
Other Objects	1,650		1,650		1,650
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>7,056,766</b>	<b>(262,052)</b>	<b>6,794,714</b>	<b>6,693,258</b>	<b>101,456</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities					
Salaries of Teachers	376,621	82,496	459,117	459,117	-
Other Salaries for Instruction	158,991	(13,489)	145,502	123,064	22,438
General Supplies	4,500	(1,511)	2,989	1,922	1,067
Miscellaneous Expenditures	3,000	(2,121)	879	198	681
<b>Total Multiple Disabilities</b>	<b>543,112</b>	<b>65,375</b>	<b>608,487</b>	<b>584,301</b>	<b>24,186</b>
Resource Room/Resource Center					
Salaries of Teachers	1,670,460	624	1,671,084	1,501,378	169,706
Other Salaries for Instruction	238,394	1,102	239,496	193,980	45,516
General Supplies	4,000		4,000	2,737	1,263
Textbooks	1,565		1,565		1,565
<b>Total Resource Room/Resource Center</b>	<b>1,914,419</b>	<b>1,726</b>	<b>1,916,145</b>	<b>1,698,095</b>	<b>218,050</b>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Special Education - Preschool Disabled Part-time					
Salaries of Teachers	121,708	(86,802)	34,906	12,614	22,292
Other Salaries for Instruction	39,483	(15,512)	23,971	23,059	912
General Supplies	1,100	(803)	297	297	
Total Preschool Disabled Part-time	162,291	(103,117)	59,174	35,970	23,204
Special Education - Home Instruction					
Salaries of Teachers	15,000	19,042	19,042	15,980	3,062
Purchased Professional - Educational Services	45,000	2,310	17,310	2,094	15,216
Miscellaneous Expenditures	60,000	21,352	81,352	45,000	-
Total Home Instruction	2,679,822	(14,664)	2,665,158	63,074	18,278
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>				2,381,440	283,718
Basic Skills/Remedial - Instruction					
Salaries of Teachers	158,317	(877)	157,440	105,414	52,026
General Supplies	3,200		3,200	764	2,436
Textbooks	1,325		1,325		1,325
Total Basic Skills/Remedial - Instruction	162,842	(877)	161,965	106,178	55,787
Bilingual Education - Instruction					
General Supplies	500		500		500
Textbooks	500		500		500
Total Bilingual Education - Instruction	1,000	-	1,000	-	1,000
School-Spon. Cocurricular Activities - Instruction					
Salaries	98,000		98,000	92,769	5,231
Purchased Professional Services	1,250		1,250	615	635
Other Purchased Services (400-500 series)	16,310		16,310	14,285	2,025
Supplies & Materials	2,000		2,000	663	1,337
Miscellaneous Expenditures	3,850	35,475	39,325	25,192	14,133
Total School-Spon. Cocurricular Activities - Inst.	121,410	35,475	156,885	133,524	23,361

**PITMAN SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
School-Spon. Cocurricular Athletics - Instruction					
Salaries	355,371	2,326	357,697	336,867	20,830
Other Purchased Services (400-500 series)	61,868	(7,800)	54,068	46,188	7,880
Supplies & Materials	32,288	2,000	34,288	32,719	1,569
Other Objects	20,863	3,588	24,451	23,515	936
Total School-Spon. Cocurricular Athletics - Inst.	470,390	114	470,504	439,289	31,215
<b>TOTAL INSTRUNCTION</b>	10,492,230	(242,004)	10,250,226	9,753,689	496,537
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction	10,000		10,000	5,067	4,933
Tuition to Other LEAs Within the State-Regular					
Tuition to Other LEAs Within the State-Special	181,790	(17,054)	164,736	163,124	1,612
Tuition to County Voc. School Dist. - Regular		23,166	23,166	23,166	
Tuition to County Voc. School Dist. - Special	148,684	(72,304)	76,380	56,124	20,256
Tuition to CSSD & Regional Day Schools					
Tuition to Private Schools for the Disabled - Within State	540,787	89,607	630,394	613,771	16,623
Tuition to State Facilities	40,500	40,500	81,000	80,540	460
Tuition Other	87,210	14,400	101,610	101,610	-
Total Undistributed Expenditures - Instruction	1,008,971	78,315	1,087,286	1,043,402	43,884
Undistributed Expend. - Health Services					
Salaries	464,296	(45,423)	418,873	402,429	16,444
Purchased Professional and Technical Services	80,620	85	80,705	17,986	62,719
Supplies & Materials	3,800	(85)	3,715	2,879	836
Total Undistributed Expend. - Health Services	548,716	(45,423)	503,293	423,294	79,999
Undist. Expend. - Speech, PT, OT & Related Services					
Salaries	237,715	(808)	236,907	233,971	2,936
Purchased Professionals - Educational Services	64,140	37,032	101,172	77,960	23,212
Purchased Technical Services	1,000	(1,000)	-	-	-
Supplies & Materials	4,150	(2,651)	1,499	1,499	-



**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Total Undist. Expend.-Speech, PT, OT & Rel. Svces	307,005	32,573	339,578	313,430	26,148
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	34,123	46,271	80,394	80,001	393
Purchased Professional-Educational Services	314,658	(105,880)	208,778	206,621	2,157
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	348,781	(59,609)	289,172	286,622	2,550
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	529,263		529,263	499,952	29,311
Salaries of Secretarial and Clerical Assistants	59,719		59,719	59,007	712
Purchased Technical Services	7,500	1,200	8,700	8,583	117
Other Purchased Services (400-500 series)	1,600		1,600		1,600
Supplies & Materials	5,050	407	5,457	4,250	1,207
Other Objects	1,150		1,150	500	650
Total Undistributed Expend. - Guidance	604,282	1,607	605,889	572,292	33,597
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	472,702	(67,207)	405,495	366,542	38,953
Salaries of Secretarial and Clerical Assistants	107,743		107,743	107,743	
Other Purchased Prof. And Tech. Services	39,311	(3,628)	35,683	35,683	
Miscellaneous Purchased Services (400-500 series)	1,500	(655)	845	845	
Supplies & Materials	3,136	(1,491)	1,645	1,645	
Total Undist. Expend. - Child Study Teams	624,392	(72,981)	551,411	512,458	38,953
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	123,700	(61)	123,639	114,657	8,982
Salaries of Other Professional Staff	48,080	(203)	47,877	44,000	3,877
Salaries of Sec and Clerical Assst.	114,820		114,820	114,818	2
Other Salaries	10,179	4,310	14,489	14,489	
Other Purchased Prof. And Tech. Services	18,330	277	18,607	10,999	7,608
Supplies & Materials	850	(585)	265	237	28
Other Objects	3,100		3,100	934	2,166
Total Undist. Expend. - Improvement of Inst. Serv.	319,059	3,738	322,797	300,134	22,663

**PITMAN SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	89,278	600	89,878	89,578	300
Other Salaries for Instruction	18,175	495	18,670	14,208	4,462
Salaries Technology Coordinator	168,225	(648)	167,577	162,877	4,700
Other Purchased Services (400-500 series)	500		500		500
Supplies & Materials	17,300	(4,973)	12,327	6,563	5,764
Other Objects	300		300		300
Total Undistributed Expenditures - Educational Media Services - School Library	<u>293,778</u>	<u>(4,526)</u>	<u>289,252</u>	<u>273,226</u>	<u>16,026</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff		3,940	3,940	3,940	
Other Salaries	936		936	127	809
Purchased Professional - Educational Services	11,000	530	11,530	11,530	
Other Purchased Services (400-500 series)	10,500	(8,133)	2,367	2,367	
Total Undistributed Expenditures - Instructional Staff Training Services	<u>22,436</u>	<u>(3,663)</u>	<u>18,773</u>	<u>17,964</u>	<u>809</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	246,620		246,620	238,103	8,517
Legal Services	40,000		40,000	30,299	9,701
Audit Fees	22,000	10,500	32,500	32,500	
Other Purchased Professional Services	43,350	(10,786)	32,564	17,960	14,604
Purchased Technical Services	16,142	286	16,428	16,428	
Communications/Telephone	51,207		51,207	48,997	2,210
Misc. Purch Serv (400-500) [Other than 530 & 585]	65,682	(199)	65,483	61,862	3,621
BOE Other Purchased Services	2,000	199	2,199	2,199	
General Supplies	8,000		8,000	106	7,894
Miscellaneous Expenditures	6,700		6,700	4,839	1,861
BOE Membership Dues/Fees	11,445		11,445	11,094	351
Total Undistr. Expend. - Support Svs - Gen.Admin.	<u>513,146</u>	<u>-</u>	<u>513,146</u>	<u>464,387</u>	<u>48,759</u>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Asst.	737,062	71,164	808,226	808,226	
Salaries of Secretarial Asst.	316,450	37,342	353,792	353,792	
Purchased Professional - Educational Services	800	(800)	-		
Purchased Professional and Technical Services	6,000	(3,148)	2,852	2,580	272
Other Purchased Services (400-500 series)	9,850	(7,758)	2,092	1,458	634
Supplies and Materials	17,913	(82)	17,831	14,063	3,768
Other Objects	15,600		15,600	9,377	6,223
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>1,103,675</b>	<b>96,718</b>	<b>1,200,393</b>	<b>1,189,496</b>	<b>10,897</b>
Undist. Expend. - Central Services					
Salaries	259,424	(5,071)	254,353	223,115	31,238
Purchased Technical Services	21,940		21,940	21,908	32
Miscellaneous Purchased Services (400-500 series)	16,250		16,250	1,220	15,030
Supplies and Materials	6,000	(936)	5,064	3,879	1,185
Interest-Lease Purchase	9,822		9,822		9,822
Miscellaneous Expenditures	4,330	936	5,266	5,266	
<b>Total Undistributed Expenditures - Central Services</b>	<b>317,766</b>	<b>(5,071)</b>	<b>312,695</b>	<b>255,388</b>	<b>57,307</b>
Undist. Expend. - Required Maint. School Fac. Cleaning, Repair and Maintenance Services	149,600	1,438	151,038	128,581	22,457
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>149,600</b>	<b>1,438</b>	<b>151,038</b>	<b>128,581</b>	<b>22,457</b>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Custodial Services					
Salaries	1,052,791	(103,307)	949,484	932,184	17,300
Purchased Professional and Technical Services	7,500		7,500	6,645	855
Cleaning, Repair and Maintenance Services	38,500	(2,443)	36,057	24,615	11,442
Insurance	129,105		129,105	129,104	1
Miscellaneous Purchased Services	2,000	78,029	80,029	80,029	
General Supplies	92,300	(5,228)	87,072	65,810	21,262
Natural Gas	160,000	10,000	170,000	157,945	12,055
Energy (Electricity)	250,000		250,000	236,920	13,080
Other Objects	7,400	(1,562)	5,838	5,838	
Total Undistributed Expenditures - Custodial Services	<u>1,739,596</u>	<u>(24,511)</u>	<u>1,715,085</u>	<u>1,639,090</u>	<u>75,995</u>
Undist. Expend- Care & Upkeep of Grounds					
General Supplies	23,500	7,942	31,442	28,757	2,685
Total Care and Upkeep of Grounds	<u>23,500</u>	<u>7,942</u>	<u>31,442</u>	<u>28,757</u>	<u>2,685</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	89,000	70,292	159,292	59,072	100,220
General Supplies	15,000	(10,000)	5,000		5,000
Total Security	<u>104,000</u>	<u>60,292</u>	<u>164,292</u>	<u>59,072</u>	<u>105,220</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>2,016,696</u>	<u>45,161</u>	<u>2,061,857</u>	<u>1,855,500</u>	<u>206,357</u>

**PITMAN SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Salaries - Non-instructional aides	91,200	(76,214)	14,986	7,647	7,339
Cleaning, Repair and Maintenance Services	5,000		5,000	3,697	1,303
Contr. Serv. - (Btm Home & School) - Vendors	23,000	13,564	36,564	36,564	
Contr. Serv. - (Other than Btm Home & School) - Vendors	113,100	1,936	115,036	81,600	33,436
Contr. Serv. - (Btm Home & School) - Joint Agrmt	9,000	(9,000)			
Contr. Serv. - (Special Ed Students) - Vendors	200,000	185,710	385,710	385,710	
Contr. Serv. - (Special Ed Students) - Joint Agreements	135,000	34,966	169,966	163,713	6,253
Miscellaneous Purchased Services					
Transportation Supplies	15,000	(15,000)			
Miscellaneous Expenditures	1,400	(1,232)	168	50	118
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>592,700</b>	<b>134,730</b>	<b>727,430</b>	<b>678,981</b>	<b>48,449</b>
Unallocated Benefits - Employee Benefits					
Group Insurance	15,793		15,793	4,338	11,455
Social Security Contribution	370,000		370,000	349,449	20,551
Other Retirement Contributions - PERS	385,000	22,480	407,480	407,480	-
Unemployment		42,000	42,000	4,276	37,724
Workmen's Compensation	136,515		136,515	134,745	1,770
Health Benefits	3,195,989	(105,221)	3,090,768	2,804,873	285,895
Tuition Reimbursement	50,000		50,000	18,585	31,415
Other Employee Benefits	267,000		267,000	250,715	16,285
Unused Vacation Payment to Staff - Mass Severance			-		
Unused Sick Payment to Terminated/Retired Staff	30,000	60,295	90,295	76,416	13,879
<b>Total Unallocated Benefits</b>	<b>4,450,297</b>	<b>19,554</b>	<b>4,469,851</b>	<b>4,050,877</b>	<b>418,974</b>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)			-	4,202,082	(4,202,082)
On-Behalf TPAF Post-retir. Contribution (non-bud)	-		-	1,103,877	(1,103,877)
On-Behalf TPAF Long Term Disability Insurance			-	877	(877)
Reimbursed TPAF Social Security Cont.(non-bud)			-	844,350	(844,350)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,151,186</b>	<b>(6,151,186)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>4,450,297</b>	<b>19,554</b>	<b>4,469,851</b>	<b>10,202,063</b>	<b>(5,732,212)</b>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>13,071,700</u>	<u>221,123</u>	<u>13,292,823</u>	<u>18,388,637</u>	<u>(5,095,814)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>23,563,930</u>	<u>(20,881)</u>	<u>23,543,049</u>	<u>28,142,326</u>	<u>(4,599,277)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Grades 9-12	82,500		82,500		82,500
Undistributed Exp. - Instruction		28,536	28,536		28,536
Undistributed Exp. - Required Maintenance	67,000		67,000	58,871	8,129
Undistributed Exp. - Custodial	20,000	12,395	32,395	31,485	910
Undistributed Exp. - Security		34,735	34,735		34,735
Total Equipment	<u>169,500</u>	<u>75,666</u>	<u>245,166</u>	<u>90,356</u>	<u>154,810</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	100,000	(80,336)	19,664	7,760	11,904
Construction Services	1,118,000	321,003	1,439,003	1,119,478	319,525
Lease/Purchase Principal	212,350	209,624	421,974	421,974	
Assessment for Debt Service on SDA Funding	2,213		2,213	2,213	
Total Facilities Acquisition and Construction Services	<u>1,432,563</u>	<u>450,291</u>	<u>1,882,854</u>	<u>1,551,425</u>	<u>331,429</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,602,063</u>	<u>525,957</u>	<u>2,128,020</u>	<u>1,641,781</u>	<u>486,239</u>
<b>TOTAL EXPENDITURES</b>	<u>25,165,993</u>	<u>505,076</u>	<u>25,671,069</u>	<u>29,784,107</u>	<u>(4,113,038)</u>

**PITMAN SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,454,812)</u>	<u>(434,799)</u>	<u>(2,889,611)</u>	<u>169,545</u>	<u>3,059,156</u>
Other Financing Sources/(Uses):					
Operating Transfers:					
Transfer to Special Revenue Fund	-	189,126	189,126	189,126	-
Total Other Financing Sources/(Uses):	<u>-</u>	<u>189,126</u>	<u>189,126</u>	<u>189,126</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,454,812)</u>	<u>(623,925)</u>	<u>(3,078,737)</u>	<u>(19,581)</u>	<u>3,059,156</u>
Fund Balance July 1	<u>6,908,895</u>		<u>6,908,895</u>	<u>6,908,895</u>	<u>-</u>
Fund Balance June 30	<u>\$ 4,454,083</u>	<u>\$ (623,925)</u>	<u>\$ 3,830,158</u>	<u>\$ 6,889,314</u>	<u>\$ 3,059,156</u>
<b>Recapitulation:</b>					
Restricted Fund Balance:				\$ -	
Excess Surplus - Designated for Subsequent Year's Expenditures				0	
Excess Surplus - Current Year				2,376,064	
Capital Reserve				536,308	
Maintenance Reserve				378,953	
Unemployment Claims					
Assigned Fund Balance:					
Year-End Encumbrances				525,293	
Designated for Subsequent Year's Expenditures				1,599,572	
Unassigned Fund Balance					
General Fund				<u>1,473,124</u>	
				<u>6,889,314</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				<u>(673,000)</u>	
				<u>\$ 6,216,314</u>	

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources	\$ 110,367	362,637	473,004	\$ 413,388	\$ (59,616)
State Sources	168,750	1,036,714	1,205,464	988,658	(216,806)
Federal Sources	2,128,244	284,191	2,412,435	1,563,515	(848,920)
<b>Total Revenues</b>	<b>2,407,361</b>	<b>1,683,542</b>	<b>4,090,903</b>	<b>2,965,561</b>	<b>(1,125,342)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	859,943	2,484	862,427	798,397	64,030
Other Salaries for Instruction	14,432	183,269	197,701	128,321	69,380
Salaries of Other Professional Staff			-		
Purchased Professional - Educational Services		23,100	23,100	17,745	5,355
Purchased Technical Services	2,250	6,345	8,595	7,307	1,288
Other Purchased Services (400-500 series)	294,444	52,842	347,286	347,286	
General Supplies	69,834	159,702	229,536	183,952	45,584
Other Objects	1,500	12,950	14,450	14,235	215
<b>Total Instruction</b>	<b>1,242,403</b>	<b>440,692</b>	<b>1,683,095</b>	<b>1,497,243</b>	<b>185,852</b>
Support Services:					
Other Salaries	62,615	355,849	418,464	366,839	51,625
Personal Services - Employee Benefits	24,135	384,404	408,539	357,582	50,957
Purchased Professional - Educational Services	17,147	(516)	16,631	15,848	783
Other Professional Services		51,542	51,542	21,453	30,089
Purchased Professional Technical Services		179,050	179,050	87,240	91,810
Other Purchased Services (400-500 series)	3,500	4,440	7,940	7,124	816
General Supplies	1,531	73,996	75,527	45,245	30,282
Scholarships Awarded	15,138	25,211	40,349	43,576	(3,227)
Student Activities	95,229	171,030	266,259	181,492	84,767
<b>Total Support Services</b>	<b>219,295</b>	<b>1,245,006</b>	<b>1,464,301</b>	<b>1,126,399</b>	<b>337,902</b>
Facilities Acquisition & Construction Services:					
Building	810,190	(117,299)	692,891	159,392	533,499
Instructional Equipment	63,477	57,475	120,952	90,882	30,070
Non-Instructional Equipment	71,996	57,667	129,663	92,451	37,212
<b>Total Expenditures</b>	<b>945,663</b>	<b>(2,157)</b>	<b>943,506</b>	<b>342,725</b>	<b>600,781</b>
<b>Total</b>	<b>2,407,361</b>	<b>1,683,541</b>	<b>4,090,902</b>	<b>2,966,367</b>	<b>1,124,535</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ (806)</b>	<b>\$ (807)</b>
Fund Balance, July 1				102,240	
Fund Balance, June 30				101,434	



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

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**PITMAN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2023**

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

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 29,953,652	2,965,561
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		18,600
Current Year		(23,076)
The Final State Aid payment for the Year Ended June 30, 2022 that was delayed until July 2022 was recorded as budgetary revenue for the Year Ended June 30, 2022 but is not recognized under GAAP until the Year Ended June 30, 2023.	775,639	
The Final State Aid payment for the Year Ended June 30, 2023 that was delayed until July 2023 was recorded as budgetary revenue for the Year Ended June 30, 2023 but is not recognized under GAAP until the Year Ended June 30, 2024.	(673,000)	(103,671)
	<u>30,056,291</u>	<u>2,857,414</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	29,784,107	2,966,367
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		
Prior Year		18,600
Current Year		(23,076)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 29,784,107</u>	<u>2,961,891</u>

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**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

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**PITMAN SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0314130781%	0.0308500000%	0.0311800000%	0.0308300000%	0.0323000000%	0.0332000000%	0.0337500000%	0.0359700000%	0.0334800000%	0.0332500000%
District's proportionate of the net pension liability (asset)	\$ 4,740,666	\$ 3,654,874	\$ 5,084,844	\$ 5,554,745	\$ 6,359,142	7,727,411	9,997,076	8,074,530	6,267,638	6,354,026
District's covered payroll	\$ 2,372,787	\$ 2,299,571	\$ 2,228,481	\$ 2,223,613	\$ 2,382,131	2,419,120	2,473,296	2,169,341	2,397,778	2,313,411
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	199.79%	158.94%	228.18%	249.81%	266.95%	319.43%	404.20%	372.21%	261.39%	274.66%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	#	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

**PITMAN SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	396,134	361,312	341,107	299,866	321,252	307,522	299,869	309,425	275,972	250,504
Contributions in relation to the contractually required contribution	396,134	361,312	341,107	299,866	321,252	307,522	299,869	309,425	275,972	250,504
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	2,372,787	2,299,571	2,228,481	2,223,613	2,382,131	2,419,120	2,473,296	2,169,341	2,397,778	2,313,411
Contributions as a percentage of covered-employee payroll	16.69%	15.71%	15.31%	13.49%	13.49%	12.71%	12.12%	14.26%	11.51%	10.83%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.



**PITMAN SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Nine Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	52,504,600	52,900,560	75,393,914	72,127,135	73,117,940	76,729,139	88,360,329	72,899,425	58,357,528	57,563,856
<b>Total</b>	<b>\$ 52,504,600</b>	<b>\$ 52,900,560</b>	<b>\$ 75,393,914</b>	<b>\$ 72,127,135</b>	<b>\$ 73,117,940</b>	<b>\$ 76,729,139</b>	<b>88,360,329</b>	<b>72,899,425</b>	<b>58,357,528</b>	<b>57,563,856</b>
District's covered payroll	11,537,022	11,695,361	11,259,384	12,275,856	12,962,070	12,944,897	12,643,235	12,200,614	12,003,103	12,028,488
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

**PITMAN SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Six Fiscal Years**

	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 71,191,740	\$ 85,139,059	\$ 97,382,442	\$ 61,045,630	\$ 68,442,370	\$ 79,096,716
<b>Total</b>	<b>\$ 71,191,740</b>	<b>\$ 85,139,059</b>	<b>\$ 97,382,442</b>	<b>\$ 61,045,630</b>	<b>\$ 68,442,370</b>	<b>\$ 79,096,716</b>
District's covered payroll	\$ 14,068,148	\$ 13,558,955	\$ 14,504,337	\$ 15,190,551	\$ 15,327,028	\$ 15,062,355
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:						
Service Cost	3,138,244	3,786,474	2,227,216	2,249,485	2,482,595	3,000,040
Interest Cost	1,886,660	2,208,597	2,186,028	2,700,923	2,889,190	2,508,233
Differences between Expected & Actual	1,934,446	(16,548,537)	15,779,104	(11,438,972)	(6,405,154)	
Change in Benefit Terms		(90,620)				
Changes in Assumptopns	(19,097,828)	83,996	17,788,426	910,195	(7,854,104)	(10,531,209)
Member Contributions	59,952	56,463	51,386	55,548	63,252	67,461
Benefit Payments	(1,868,793)	(1,739,756)	(1,695,348)	(1,873,919)	(1,830,125)	(1,832,048)
Change in Total Opeb Liability	(13,947,319)	(12,243,383)	36,336,812	(7,396,740)	(10,654,346)	(6,787,523)
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	85,139,059	97,382,442	61,045,630	68,442,370	79,096,716	85,884,239
Ending Balance	71,191,740	85,139,059	97,382,442	61,045,630	\$ 68,442,370	\$ 79,096,716
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	506.05%	627.92%	671.40%	401.87%	446.55%	525.13%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.  
However, information is only currently available for two years.  
Additional years will be presented as they become available.

## **OTHER SUPPLEMENTARY INFORMATION**

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**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2023**

	Building Capacity Comprehensive	Scholarship Funds	Student Activity	CRRSA/ESSER II	CRRSA/Learning Acceleration	CRRSA/Mental Health
<b>REVENUES:</b>						
Local Sources	\$	\$ 54,064	\$ 170,198	\$	\$	\$
State Sources	168,253			289,597	16,881	33,292
Federal Sources		54,064	170,198	289,597	16,881	33,292
Total Revenues						
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	3,000			36,165	4,680	
Other Salaries for Instruction						
Purchased Professional - Educational Services	2,250			3,057		
Purchased Technical Services	1,939					
Other Purchased Services (400-500 series)	20,283			3,244	3,273	15,894
General Supplies	330					
Other Objects						
Total Instruction	27,802	-	-	42,466	7,953	15,894
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits	1,588			50,073	3,500	1,471
Purchased Professional - Educational Services				24,077	1,429	733
Other Professional Services				21,453	3,999	11,199
Purchased Technical Services	3,490					
Other Purchased Services (400-500 series)	1,350	43,576	181,492			3,995
General Supplies						
Scholarships Awarded						
Student Activities						
Total Support Services	6,428	43,576	181,492	95,603	8,928	17,398
Capital Outlay:						
Building	62,043			151,528		
Instructional Equipment	71,980					
Non-Instructional Equipment						
Total Capital Outlay	134,023	-	-	151,528	-	-
Total Expenditures	168,253	43,576	181,492	289,597	16,881	33,292
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	\$ 10,488	\$ (11,294)	\$ -	\$ -	\$ -
Fund Balance, July 1		14,737	87,503			
Fund Balance, June 30	\$	\$ 25,225	\$ 76,209			

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2022**

	ARP ESSER	ARP ESSER NJTSS	ARP ESSER Summer	ARP ESSER Beyond School	ARP IDEA Basic	ARP Homeless
<b>REVENUES:</b>						
Local Sources	\$	\$	\$	\$		
State Sources						
Federal Sources	525,804	44,909	35,791	21,060	997	6,900
Total Revenues	525,804	44,909	35,791	21,060	997	6,900
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	226,230		3,149	21,060		
Other Salaries for Instruction						
Purchased Professional - Educational Services						
Purchased Technical Services						
Other Purchased Services (400-500 series)						
General Supplies						
Other Objects						
Total Instruction	226,230	-	3,149	21,060	-	-
Support Services:						
Salaries of Other Professional Staff	130,970	10,000				
Personal Services - Employee Benefits	160,740					
Purchased Professional - Educational Services						
Other Professional Services						
Purchased Technical Services			32,642			6,900
Other Purchased Services (400-500 series)		34,909				
General Supplies						
Scholarships Awarded						
Student Activities						
Total Support Services	291,710	44,909	32,642	-	-	6,900
Capital Outlay:						
Building	7,864					
Instructional Equipment					997	
Non-Instructional Equipment					997	
Total Expenditures	525,804	44,909	35,791	21,060	997	6,900
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, July 1						
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2023**

	Preschool Education	Title IIA	Title I SIA	Title I Part A	I.D.E.A. Part B	IDEA Preschool	Totals 2023
<b>REVENUES:</b>							
Local Sources	\$ 189,126	\$			\$		413,388
State Sources	820,405						988,658
Federal Sources		43,004	31,741	166,811	345,347	1,381	1,563,515
Total Revenues	1,009,531	43,004	31,741	166,811	345,347	1,381	2,965,561
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	347,700	1,500	19,930	134,983			798,397
Other Salaries for Instruction	126,940					1,381	128,321
Purchased Professional - Educational Services	17,745		2,000				17,745
Purchased Technical Services					345,347		7,307
Other Purchased Services (400-500 series)	140,758			500			347,286
General Supplies	13,905						183,952
Other Objects							14,235
Total Instruction	647,048	1,500	21,930	135,483	345,347	1,381	1,497,243
Support Services:							
Salaries of Other Professional Staff	145,943	24,882					366,839
Personal Services - Employee Benefits	128,821		8,866	31,328			357,582
Purchased Professional - Educational Services	650						15,848
Other Professional Services		11,844	945				21,453
Purchased Technical Services	3,634						87,240
Other Purchased Services (400-500 series)	35,122	4,778					7,124
General Supplies							45,245
Scholarships Awarded							43,576
Student Activities							181,492
Total Support Services	314,170	41,504	9,811	31,328			1,126,399
Capital Outlay:							
Building							159,392
Instructional Equipment	28,839						90,882
Non-Instructional Equipment	19,474						92,451
Total Capital Outlay	48,313						342,725
Total Expenditures	1,009,531	43,004	31,741	166,811	345,347	1,381	2,966,367
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(806)
Fund Balance, July 1							102,240
Fund Balance, June 30							\$ 101,434

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2023**

	Total		
	Budgeted	Actual	Variance
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 361,354	347,700	\$ 13,654
Other Salaries for Instruction	182,314	126,940	55,374
Purchased Professional - Educational Services	23,100	17,745	5,355
General Supplies	141,519	140,758	761
Other Objects	14,120	13,905	215
<b>Total Instruction</b>	<b>722,407</b>	<b>647,048</b>	<b>75,359</b>
Support Services:			
Salaries of Principals/Program Directors	17,700	16,014	1,686
Salaries of Other Professional Staff	90,691	75,662	15,029
Salaries of Secretarial and Clerical Assistants	9,795	8,231	1,564
Salaries of Facilitators and Coaches	61,162	46,036	15,126
Personal Services - Employee Benefits	156,692	128,821	27,871
Purchased Professional Educational Services	940	650	290
Miscellaneous Purchased Services	4,300	3,634	666
Supplies	57,698	35,122	22,576
<b>Total Support Services</b>	<b>398,978</b>	<b>314,170</b>	<b>84,808</b>
Facilities Acquisition and Construction Services			
Instructional Equipment	54,455	28,839	25,616
Non-Instructional Equipment	50,000	19,474	30,526
<b>Total Facilities Acquisition and Construction Ser.</b>	<b>104,455</b>	<b>48,313</b>	<b>56,142</b>
<b>Total Expenditures</b>	<b>\$ 1,225,840</b>	<b>\$ 1,009,531</b>	<b>\$ 216,309</b>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2022-23 Preschool Aid Allocation	\$ 1,036,714
Adjustments	
Add: Actual ECPA Carryover June 30, 2022	-
Add: Budgeted Transfer from the General Fund	189,126
Total Preschool Education Aid Funds Available for 2022-23 Budget	1,225,840
Less: 2022-23 Budgeted Preschool Education Aid	(1,225,840)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	216,309
2022-23 Actual Carryover - Preschool Education Aid	\$ 216,309
2022-23 Preschool Education Aid Carryover Budgeted for 2023-24	\$ 73,941



**PITMAN SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2023**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2023			Interest Rate	Balance June 30, 2022	Decreased	Balance June 30, 2023
			Date	Amount	Amount				
Refunding Bond Issue	6/2/2016	\$ 5,860,000	8/1/2023	700,000		4.000%	\$ 2,645,000	\$ 665,000	\$ 1,980,000
			8/1/2024	720,000		4.000%			
			8/1/2025	560,000		3.000%			
							<u>\$ 2,645,000</u>	<u>\$ 665,000</u>	<u>\$ 1,980,000</u>

**PITMAN SCHOOL DISTRICT**  
**Schedule of Obligations Under Lease Liability**  
**As of June 30, 2023**

Description	Date of Lease	Amount of Original Issue	Interest Rate	Balance July 1, 2022	Issued Current Year	Retired Current Year	Balance June 30, 2023
Roof Replacement & Removal of Roof Top HVAC	5/30/2019	1,000,000	2.62%	\$ 408,574	-	\$ 408,574	-
				\$ 408,574	-	\$ 408,574	-

**PITMAN SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 425,318		\$ 425,318	\$ 425,318	\$ -
State Sources:					
Debt Service Aid	326,582		326,582	326,582	
Total Revenues	751,900	-	751,900	751,900	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	665,000		665,000	665,000	-
Interest on Bonds	86,900		86,900	86,900	-
Total Regular Debt Service	751,900	-	751,900	751,900	-
Total Expenditures	751,900	-	751,900	751,900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**PITMAN SCHOOL DISTRICT**  
**Schedule of Obligations Under Subscription-Based Information Technology Arrangements**  
**As of June 30, 2023**

Description	Date of Lease	Amount of Original Issue	Balance July 1, 2022	Issued Current Year	Retired Current Year	Balance June 30, 2023
WAN Interconnect	6/1/2021	123,589 \$	82,393 \$		41,196 \$	41,197
Xtel Phone	6/1/2021	34,452	22,968		11,484	11,484
DNS	6/1/2021	70,200	46,800		23,400	23,400
Naviance	6/1/2017	23,572	4,714		4,714	-
Microsoft 365 Licensing	6/1/2021	31,600	15,800		15,800	-
		\$	\$		\$	\$
			<u>172,675</u>	<u>-</u>	<u>96,594</u>	<u>76,081</u>

# **Statistical Section**

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**Pitman School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	2,137,578	2,455,097	2,705,438	3,137,319	3,754,777	3,768,939	4,275,969	4,867,692	5,113,610	6,986,809
Restricted	2,244,406	2,440,263	1,912,414	1,670,905	1,467,283	1,540,256	2,738,724	3,852,406	4,429,831	3,392,759
Unrestricted	(916,702)	(7,227,828)	(7,397,530)	(8,288,057)	(9,231,961)	(9,239,296)	(9,000,060)	(7,794,716)	(5,144,834)	(2,817,230)
Total governmental activities net position	3,465,282	(2,332,468)	(2,779,678)	(3,479,833)	(4,009,901)	(3,830,101)	(1,985,367)	925,382	4,398,607	7,571,338
<b>Business-type activities</b>										
Net investment in capital assets	21,089	35,906	31,477	29,547	40,601	42,807	37,418	137,003	161,301	167,889
Unrestricted	288,210	267,509	325,946	345,090	351,451	330,042	301,396	583,661	681,810	476,719
Total business-type activities net position	309,299	303,415	357,423	374,627	392,052	372,849	338,814	720,664	843,111	644,578
<b>District-wide</b>										
Net investment in capital assets	2,158,667	2,491,003	2,736,915	3,166,866	3,795,378	3,811,746	4,313,387	5,004,695	5,274,911	7,163,668
Restricted	2,244,406	2,440,263	1,912,414	1,670,905	1,467,283	1,540,256	2,738,724	3,852,406	4,429,831	3,392,759
Unrestricted	(628,482)	(6,960,319)	(7,071,584)	(7,942,977)	(8,880,510)	(8,909,254)	(8,688,664)	(7,211,055)	(4,463,924)	(2,340,511)
Total district net position	3,774,581	(2,029,053)	(2,422,256)	(3,105,206)	(3,617,849)	(3,597,259)	(1,846,953)	1,846,046	3,241,718	6,215,916

Source: ACFR Schedule A-1

**Pitman School District  
Changes in Net Position,  
Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	7,117,731	7,304,641	7,668,672	7,431,757	7,461,427	7,664,583	6,938,228	7,444,779	7,051,272	8,512,985
Special education	3,088,673	3,252,223	3,331,472	3,297,304	3,210,417	3,199,857	2,979,855	2,889,151	3,117,736	4,987,498
Other special education	283,898	316,196	422,095	453,888	366,814	338,491	384,171	214,195	233,930	873,381
Other instruction	503,066	516,624	542,216	560,819	526,524	523,674	480,841	441,113	549,217	
Support Services:										
Tuition										
Student & instruction related services	3,714,135	3,375,730	3,571,093	3,602,913	3,838,421	4,160,948	4,069,777	4,082,311	3,979,359	1,043,402
General Administration and Central Services	688,915	720,747	745,457	730,597	807,951	793,318	766,550	838,414	776,406	5,501,565
School Administration Services	1,189,997	1,228,376	1,215,352	1,223,249	1,217,743	1,205,480	1,235,785	1,237,982	1,711,926	1,711,926
Plant operations and maintenance	1,829,974	1,986,009	1,965,852	2,090,673	1,871,951	1,840,107	1,700,203	1,847,535	1,240,049	1,035,902
Pupil transportation	529,031	498,680	360,491	393,572	579,614	684,708	323,162	257,147	344,316	2,617,799
Unallocated benefits	5,835,766	6,098,670	7,023,925	8,152,236	11,712,507	11,023,085	9,359,248	17,812,512	8,495,868	977,191
Transfer to Charter Schools										
Interest on long-term debt	371,780	336,273	235,119	212,370	173,622	151,414	131,607	141,437	87,088	56,927
Capital Outlay	110,921	140,456	256,609	152,660	186,837	53,428	502,958	542,051	608,654	
Unallocated depreciation	599,310	570,309	588,753	502,443	510,677	520,816				
Total governmental activities expenses	25,832,897	26,345,934	27,907,106	28,804,482	32,313,571	32,293,318	28,925,813	37,748,627	28,426,774	27,318,586
Business-type activities:										
Food service	465,673	460,104	454,741	456,671	401,622	418,849	391,601	722,825	667,012	651,143
Before/After School	185,643	188,660	210,492	179,465	204,702	196,731	190,389	120,356	173,104	158,987
Preschool	88,027	94,470	98,249	101,331	102,152	102,579	107,943	102,580		
Total business-type activities expenses	739,343	743,234	763,482	737,467	708,476	718,159	689,933	945,761	840,116	810,130
Total district expenses	26,572,240	27,089,168	28,670,588	29,541,949	33,022,047	33,011,477	29,615,746	38,694,388	29,266,890	28,128,716
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions	604,209	607,981	623,109	598,661	589,358	575,643	603,429	681,141	142,352	183,685
Capital grants and contributions								10,614,959	6,520,650	(316,874)
Total governmental activities program revenues	604,209	607,981	623,109	598,661	589,358	575,643	603,429	10,693,100	6,663,002	(133,189)
Business-type activities:										
Charges for services:										
Food service	201,449	183,346	177,004	205,098	194,184	207,576	156,589	553	14,981	277,134
Before/After School	221,561	228,383	265,614	229,717	198,926	189,171	150,189	46,318	107,811	152,000
Preschool	81,503	86,469	86,045	65,490	82,745	66,005	67,148	31,440		
Operating grants and contributions	158,875	154,456	147,827	151,700	159,111	156,204	163,972	1,179,322	839,771	244,517
Capital grants and contributions										
Total business-type activities program revenue	663,408	652,654	676,490	652,005	634,966	618,956	537,898	1,257,633	962,563	673,651
Total district program revenue	1,267,617	1,260,635	1,299,599	1,250,666	1,224,324	1,194,599	1,141,327	11,940,733	7,625,565	540,462
<b>Net (Expense)/Revenue</b>										
Governmental activities	(25,228,688)	(25,737,953)	(27,283,997)	(28,205,821)	(31,714,213)	(31,717,675)	(28,322,384)	(27,065,527)	(21,763,772)	(27,451,775)
Business-type activities	(75,935)	(90,380)	(86,992)	(65,462)	(73,510)	(99,203)	(152,035)	311,872	122,447	(136,479)
Total district-wide net expense	(25,304,623)	(25,828,333)	(27,370,989)	(28,271,283)	(31,787,723)	(31,816,878)	(28,474,419)	(26,753,655)	(21,641,325)	(27,588,254)



**Pitman School District  
Changes in Net Position,  
Last Ten Fiscal Years**  
*(fiscal basis of accounting)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	12,326,130	12,572,652	12,824,105	13,080,587	13,530,733	13,883,866	14,314,010	14,600,290	14,892,296	15,190,141
Taxes levied for debt service	670,384	585,213	571,441	592,431	619,644	385,407	426,148	425,356	427,038	425,318
Unrestricted grants and contributions	12,425,177	12,858,137	13,206,525	13,660,517	13,986,766	17,184,928	15,340,441	13,892,737	9,529,320	14,797,261
Tuition revenue	201,522	162,656	170,507	113,190	165,712	250,935	109,247	183,287	257,948	2,945
Investment Earnings	15,723	16,627	13,351	10,430	12,077	9,977	11,250	10,309	6,017	30,502
Miscellaneous income	77,753	79,066	304,697	148,512	134,596	162,662	184,022	173,691	124,378	178,339
Fixed asset adjustments										
Other adjustments			(112,839)					(2,100)		
Extraordinary Item - Loss on Refunding Bonds										
Loss on Disposal of Capital Assets			(141,000)							
Transfers	(70,000)	(90,000)		(100,000)	(80,000)	(80,000)	(118,000)	(66,267)		
<b>Total governmental activities</b>	<b>25,646,689</b>	<b>26,184,951</b>	<b>26,836,787</b>	<b>27,505,667</b>	<b>28,369,528</b>	<b>31,797,775</b>	<b>30,267,118</b>	<b>29,217,303</b>	<b>25,236,997</b>	<b>30,624,506</b>
Business-type activities:										
Investment earnings										
Transfers	70,000	90,000	141,000	100,000	80,000	80,000	118,000	66,267		
Other adjustments		(5,504)		2,666	10,935			3,711		(62,054)
<b>Total business-type activities</b>	<b>70,000</b>	<b>84,496</b>	<b>141,000</b>	<b>102,666</b>	<b>90,935</b>	<b>80,000</b>	<b>118,000</b>	<b>69,978</b>	<b>-</b>	<b>(62,054)</b>
<b>Total district-wide</b>	<b>25,716,689</b>	<b>26,269,447</b>	<b>26,977,787</b>	<b>27,608,333</b>	<b>28,460,463</b>	<b>31,877,775</b>	<b>30,385,118</b>	<b>29,287,281</b>	<b>25,236,997</b>	<b>30,562,452</b>
<b>Changes in Net Position</b>	<b>418,001</b>	<b>446,998</b>	<b>(447,210)</b>	<b>(700,154)</b>	<b>(3,344,685)</b>	<b>80,100</b>	<b>1,944,734</b>	<b>2,151,776</b>	<b>3,473,225</b>	<b>3,172,731</b>
Governmental activities	(5,935)	(5,984)	54,008	17,204	17,425	(19,203)	(34,035)	381,850	122,447	(198,533)
Business-type activities										
<b>Total district</b>	<b>412,066</b>	<b>441,114</b>	<b>(393,202)</b>	<b>(682,950)</b>	<b>(3,327,260)</b>	<b>60,897</b>	<b>1,910,699</b>	<b>2,533,626</b>	<b>3,595,672</b>	<b>2,974,198</b>

Source: ACFR Schedule A-2

**Pitman School District  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	1,594,158	1,851,200	1,412,408	1,136,393	887,387	1,120,858	1,457,920	3,729,613	4,327,591	3,291,325
Assigned	338,803	456,249	449,240	492,603	538,320	419,731	1,281,137	420,025	949,647	2,124,865
Unassigned	(412,351)	(449,978)	(481,209)	(470,367)	(429,208)	(416,362)	(337,854)	74,308	856,018	800,124
<b>Total general fund</b>	<b>1,520,610</b>	<b>1,857,471</b>	<b>1,380,439</b>	<b>1,158,629</b>	<b>996,499</b>	<b>1,124,227</b>	<b>2,401,203</b>	<b>4,223,946</b>	<b>6,133,256</b>	<b>6,216,314</b>
<b>All Other Governmental Funds</b>										
Restricted:										
Capital Projects Fund	103,340									
Special revenue fund								12,279	102,240	(2,237)
Debt Service Fund	208,105	132,814	50,766	41,909	41,576	(333)	(333)			
Total all other governmental funds	311,445	132,814	50,766	41,909	41,576	(333)	(333)	12,279	102,240	(2,237)

Source: ACFR Schedule B-1

**Pitman School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

Exhibit J-4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	12,996,514	13,157,865	13,395,546	13,673,018	14,150,377	14,269,273	14,740,158	15,025,646	15,319,334	15,615,459
Interest Earnings	15,723	16,627	13,351	10,430	12,077	9,977	11,250	10,309	6,017	30,502
Tuition charges	201,522	162,656	170,507	113,190	165,712	250,635	109,247	183,287	257,948	183,685
Miscellaneous	77,753	79,666	304,697	148,512	134,596	162,662	184,022	257,582	275,594	403,628
State sources	12,383,938	12,794,979	13,195,666	13,614,791	13,967,244	14,443,676	14,216,698	14,682,076	15,605,947	15,620,020
Federal sources	645,448	671,139	633,968	644,387	616,880	613,873	664,281	983,206	782,190	1,623,185
Total revenue	26,320,898	26,882,932	27,713,735	28,204,328	29,048,886	29,750,096	29,925,656	31,142,106	32,247,030	33,476,479
<b>Expenditures</b>										
Instruction:										
Regular instruction	7,253,214	7,453,380	7,804,277	7,593,815	7,593,400	7,807,983	7,116,145	7,440,496	7,051,272	6,693,258
Special education instruction	3,086,230	3,239,169	3,324,125	3,300,078	3,222,644	3,228,314	2,948,555	2,889,151	3,117,736	3,877,380
Other special education instruction	293,853	323,935	421,870	460,527	372,529	340,246	381,606	214,195	233,930	678,991
Other instruction	500,235	514,143	540,210	559,001	524,893	527,023	479,226	439,916	549,217	
Support Services:										
Tuition	3,687,229	3,355,680	3,576,867	3,573,797	3,799,394	4,130,590	4,014,246	4,049,780	3,979,359	1,043,402
Student & instruction related services	683,721	712,827	750,576	728,029	812,586	816,829	754,096	838,414	776,406	3,822,646
General and Central administrative services	1,213,756	1,213,762	1,221,998	1,218,172	1,241,292	1,192,570	1,201,867	1,237,982	1,240,049	464,387
School administrative services	1,825,043	1,976,080	1,961,619	2,063,275	1,837,030	1,827,892	1,680,660	1,833,900	1,856,999	1,189,496
Plant operations and maintenance	529,031	498,680	360,491	393,572	579,614	684,708	323,162	257,147	344,316	1,855,500
Pupil transportation										255,388
Central services	5,838,721	6,074,853	6,830,747	7,231,358	7,878,846	8,260,237	8,611,969	9,135,438	10,169,524	10,202,063
Unallocated employee benefits									81,567	
Charter schools										
Capital outlay	658,602	285,344	368,456	307,132	360,774	1,236,320	340,118	510,991	200,790	1,982,293
Debt service:										
Principal	780,000	790,000	815,000	900,000	830,000	580,000	600,000	620,000	645,000	665,000
Interest and other charges	370,607	335,192	299,062	155,650	198,861	175,400	153,350	134,163	112,088	89,113
Total Expenditures	26,720,242	26,772,945	28,275,288	28,464,406	29,251,863	30,808,112	28,605,000	29,601,573	30,358,273	33,497,898
Excess (Deficiency) of revenues over (under) expenditures	(399,344)	109,987	(561,563)	(280,078)	(202,977)	(1,058,016)	1,320,656	1,540,533	1,888,757	(21,419)
<b>Other Financing Sources (Uses)</b>										
Transfer in										
Transfer out	(70,000)	(90,000)	(141,000)	(100,000)	(80,000)	(80,000)	(118,000)	(66,267)	-	189,126
Bond Proceeds										(189,126)
Capital Lease	105,932	138,243	143,482							
Adjustment to State Aid										
Total other financing sources (uses)	35,932	48,243	2,482	(100,000)	(80,000)	(80,000)	(118,000)	(66,267)	-	-
Net change in fund balances	(363,412)	158,230	(559,081)	(380,078)	(282,977)	(1,138,016)	1,202,656	1,474,266	1,888,757	(21,419)
Debt service as a percentage of noncapital expenditures	4.41%	4.25%	3.99%	3.75%	3.56%	2.55%	2.67%	2.59%	2.51%	2.39%

Source: ACFR Schedule B-2

**Pitman School District  
General Fund Other Local Revenue by Source,  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30,	Prior Year Refund	Gate Receipts	Rentals	SREC's	Shared Service	E-Rate	Miscellaneous	Totals
2014	\$ -	\$ 17,279	\$ 12,915	\$ 43,914			\$ 3,645	\$ 77,753
2015	1,670	12,031	12,463	51,660			1,842	79,666
2016	3,719	13,281	8,500	218,476			60,721	304,697
2017	1,334	11,405	-	73,827		48,267	13,679	148,512
2018	8,756	4,007	2,500	62,812		55,670	851	134,596
2019	4,440	7,164	4,301	92,032		50,039	4,686	162,662
2020	18,979	13,661	3,106	95,770		35,989	16,517	184,022
2021	5,937	1,771	25	77,134	12,150	53,415	8,404	158,836
2022	1,629	10,672	5,450	53,707		17,754	9,820	99,032
2023	36,267	13,161	1,810	102,647		11,700	12,754	178,339

Source: District Records

**Pitman School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
2014	2,694,200	503,186,700	225,800	13,800	44,362,500	18,289,200	17,451,600	586,223,800	743,943	586,967,743	2.191	673,172,118
2015	2,158,200	502,983,700	225,800	14,100	41,687,600	15,289,200	15,790,300	578,148,900	585,442	578,734,342	2.259	624,599,842
2016	1,973,300	503,624,700	225,800	14,300	40,188,500	10,678,800	15,790,300	572,495,700	603,264	573,098,964	2.316	600,466,502
2017	1,942,900	503,301,600	225,800	14,300	38,804,000	8,678,800	15,790,300	568,757,700	562,862	569,320,562	2.378	604,981,815
2018	1,942,900	503,579,700	225,800	14,300	38,591,300	8,678,800	15,790,300	568,823,100	563,436	569,386,536	2.443	603,110,372
2019	2,122,800	504,094,800	225,800	11,400	38,535,500	8,678,800	15,790,300	569,459,400	566,544	570,025,944	2.493	598,200,471
2020	2,093,900	504,185,600	225,800	11,400	38,148,300	8,678,800	15,790,300	569,134,100	569,134,100	569,134,100	2.549	607,005,449
2021	1,876,500	504,601,200	225,800	11,100	38,210,800	8,002,000	15,790,300	568,717,700	568,717,700	568,717,700	2.617	623,419,729
2022	1,777,500	506,011,500	225,800	10,700	37,436,800	7,702,000	16,237,400	569,401,700	569,401,700	569,401,700	2.664	638,743,316
2023	1,774,000	711,282,900	273,400	10,700	38,978,600	13,489,000	23,872,600	789,681,200	789,681,200	789,681,200	1.959	679,803,236

Source: County Abstract of Ratables & Municipal Tax Assessor

**Pitman School District**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

**Exhibit J-7**

Fiscal Year Ended June 30,	School District		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	Total Direct	Gloucester County	Municipal Local Purpose	
2014	\$ 2.191	\$ 2.191	\$ 0.693	\$ 0.914	\$ 3.798
2015	\$ 2.259	2.259	0.664	0.962	3.885
2016	\$ 2.316	2.316	0.687	1.005	4.008
2017	\$ 2.378	2.378	0.715	1.026	4.119
2018	\$ 2.443	2.443	0.713	1.044	4.200
2019	\$ 2.493	2.493	0.717	1.043	4.253
2020	\$ 2.549	2.549	0.732	1.045	4.326
2021	\$ 2.617	2.617	0.765	1.048	4.430
2022	\$ 2.664	2.664	0.770	1.049	4.483
2023	\$ 1.959	1.959	0.550	0.758	3.267

Source: District Records and Municipal Tax Collector

**Exhibit J-8**

**Pitman School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AP Holly Court LLC	14,852,200	1	1.88%	10,424,600	1	1.78%
Lake Front LLC				8,000,000	2	1.36%
400 N. Woodbury Road LLC	8,500,000	2	1.08%			
Grandview Apts LLC	4,962,000	3	0.63%			
Taxpayer #1				2,824,100	3	0.48%
Taxpayer #2				2,800,000	4	0.48%
Comet Tool Company	2,398,200	4	0.30%	2,587,600	5	0.44%
Taxpayer #3	1,676,500	5	0.21%	1,371,000	7	0.23%
Pitman Garden Partners LLC	1,632,600	6	0.21%			
US Bank Trust	1,536,300	7	0.19%			
LCR Leasing Corp	1,412,400	8	0.18%	1,826,700	6	0.31%
BRI Scot LP	1,364,000	9	0.17%			
Edwards Properties LLC	1,024,800	10	0.13%			
Taxpayer #4				1,358,200	8	0.23%
TD Bank				1,320,300	9	0.22%
Taxpayer #5				1,303,700	10	0.22%
<b>Totals</b>	<b>\$ 39,359,000</b>		<b>4.98%</b>	<b>\$ 33,816,200</b>		<b>5.76%</b>
	District Assessed Value		\$ 789,681,200			\$ 586,967,743

Source: District ACFR & Municipal Tax Assessor

**Pitman School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	12,996,514	12,996,514	100%	
2015	13,157,865	13,157,865	100%	
2016	13,395,546	13,395,546	100%	
2017	13,673,018	13,673,018	100%	
2018	14,150,377	14,150,377	100%	
2019	14,269,273	14,269,273	100%	
2020	14,740,158	14,740,158	100%	
2021	15,025,646	15,025,646	100%	
2022	15,319,334	15,319,334	100%	
2023	15,615,459	15,615,459	100%	

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



Exhibit J-10

Pitman School District  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2014	\$ 8,444,000	\$ 103,977		\$ 8,547,977	2.03%	962
2015	7,654,000	126,382		7,780,382	1.77%	877
2016	6,820,000	140,532		6,960,532	1.55%	789
2017	5,920,000	146,457		6,066,457	1.31%	689
2018	5,090,000	129,191		5,219,191	1.09%	595
2019	4,510,000	1,186,488		5,696,488	1.15%	651
2020	3,910,000	822,157		4,732,157	0.90%	541
2021	3,290,000	605,071		3,895,071	0.71%	442
2022	2,645,000	408,874		3,053,874	N/A	345
2023	1,980,000	-		1,980,000	N/A	N/A

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

\* = Per Capital Income data presented is for the entire County of Gloucester, not only the Borough of Pitman.

**Pitman School District  
Ratios of Net General Bonded Debt Outstanding,  
Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2014	8,444,000	-	8,444,000	1.44%	47,406
2015	7,654,000	-	7,654,000	1.32%	49,622
2016	6,820,000	-	6,820,000	1.19%	50,788
2017	5,920,000	-	5,920,000	1.04%	52,729
2018	5,090,000	-	5,090,000	0.89%	54,646
2019	4,510,000	-	4,510,000	0.79%	56,853
2020	3,910,000	-	3,910,000	0.69%	60,386
2021	3,290,000	-	3,290,000	0.58%	62,553
2022	2,645,000	-	2,645,000	0.46%	n/a
2023	1,980,000	-	1,980,000	0.25%	n/a

Source: School District records; New Jersey Department of Labor and Workforce Development.

\* = Per Capital Income data presented is for the entire County of Gloucester, not only the Borough of Pitman.

**Pitman School District  
 Direct and Overlapping Governmental Activities Bonded Debt,  
 As of December 31, 2022 for overlapping debt**

**Exhibit J-12**

<u><b>Governmental Unit</b></u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Borough of Pitman	\$ 15,196,727	100.00%	\$ 15,196,727
<b>Other Debt</b>			
County of Gloucester	151,050,000	2.80%	4,222,445
Subtotal, Overlapping Debt			<u>19,419,173</u>
<b>Pitman School District Direct Debt</b>			<u>1,980,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 21,399,173</u></u>

Sources: Borough of Pitman, County of Gloucester.

Pitman School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2022	\$ 787,083,823
2021	674,646,564
2020	635,013,064
	<u>\$ 2,096,743,451</u>

Average equalized valuation of taxable property \$ 698,914,484

Debt limit (4% of average)	27,956,579
Net bonded school debt	1,980,000
Legal debt margin	<u>\$ 25,976,579</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 28,280,767	\$ 26,787,126	\$ 25,324,584	\$ 2,448,978	\$ 24,094,029	\$ 23,980,967	\$ 24,266,788	\$ 24,804,335	\$ 25,741,045	\$ 27,956,579
Total net debt applicable to limit	8,444,000	7,654,000	6,820,000	5,920,000	5,090,000	4,510,000	3,910,000	3,290,000	2,645,000	1,980,000
Legal debt margin	\$ 19,836,767	\$ 19,133,126	\$ 18,504,584	\$ (3,471,022)	\$ 19,004,029	\$ 19,470,967	\$ 20,346,788	\$ 21,514,335	\$ 23,096,045	\$ 25,976,579

Total net debt applicable to the limit  
 as a percentage of debt limit

	29.86%	28.57%	26.93%	241.73%	21.13%	18.81%	16.12%	13.26%	10.28%	7.08%
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Source: Abstract of Ratables and District Records ACFR Schedule J-7

**Pitan School District  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	8,890	421,439,340	47,406	6.2%
2015	8,868	440,047,896	49,622	5.4%
2016	8,818	447,848,584	50,788	4.5%
2017	8,801	464,067,929	52,729	4.0%
2018	8,779	479,737,234	54,646	3.8%
2019	8,747	497,293,191	56,853	3.5%
2020	8,753	528,558,658	60,386	9.0%
2021	8,814	551,342,142	62,553	5.5%
2022	8,861	n/a	n/a	3.3%
2023	n/a	n/a	n/a	n/a

Source: New Jersey Department of Labor and Workforce Development.  
Income is for Gloucester County

**Pitman School District  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

<b>Employer</b>	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Rowan University	3,500	1	N/A	1,483	4	0.95%
Kennedy Memorial Hospital				1,675	2	1.08%
Washington Township School District	1,505	2	N/A	1,598	3	1.03%
Inspira Health	1,222	3	N/A	1,825	1	1.17%
County of Gloucester	1,200	4	N/A	1,425	5	0.92%
Missa Bay, LLC				950	6	0.61%
Monroe Township School District	902	5	N/A	792	7	0.51%
Walmart Turnersville	800	6	N/A			
US Foodservices				725	8	0.47%
Jefferson Health	670	7	N/A			
Exxon Mobil Research & Engineering				540	9	0.35%
Aryzta LaBrea Bakery	500	8	N/A	525	10	0.34%
Keller Williams Realty	500	9	N/A			
Honda of Turnersville	499	10	N/A			
<b>Totals</b>	<b>11,298</b>			<b>11,538</b>		<b>6.48%</b>

Source: Information provided by the Gloucester County Office of Economic Development Directly.  
Note: The information is for the County of Gloucester, information at the municipal level is not readily available.

Pittman School District  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular instruction	104.7	101.8	101.8	102.3	103.1	102.3	89.0	86.8	77.2	69.6
Special education	71.1	70.6	71.0	69.3	63.3	66.1	61.7	55.0	41.1	29.5
Support Services:										
Student & instruction related services	31.1	33.8	33.4	28.5	30.7	32.9	32.1	20.6	34.4	21.8
School administrative services	17.4	18.4	19.1	20.6	19.9	19.6	19.6	19.6	19.6	18.1
General administration and central services	3.7	3.7	4.0	4.0	4.0	4.0	4.9	4.0	5.0	7.7
Plant operations and maintenance	19.9	19.9	20.8	19.2	20.4	19.2	20.1	20.1	20.0	16.7
Other support services			1.3	3.0	3.0	3.0	3.0	1.0	-	
Food Service	7.0	7.0	10.1	5.9	5.9	6.1	6.1	6	3	4
<b>Total</b>	<b>254.9</b>	<b>255.2</b>	<b>261.5</b>	<b>252.8</b>	<b>250.3</b>	<b>253.2</b>	<b>236.5</b>	<b>213.0</b>	<b>200.6</b>	<b>167.2</b>

Source: District Personnel Records

**Pitman School District  
Operating Statistics,  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff			Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle	High	Elementary	Middle	High				
2014	1,505.0	24,911,033	16,552	6.18%	174.3	9.12	9.17	9.63	1447.40	1391.30	-3.83%	96.12%		
2015	1,461.0	25,362,409	17,360	4.88%	164.9	9.04	8.35	9.52	1405.80	1349.80	-2.87%	96.02%		
2016	1,418.0	26,792,780	18,895	8.84%	161.1	8.45	8.98	9.00	1359.50	1305.40	-3.29%	96.02%		
2017	1,351.0	27,121,624	20,075	6.25%	162.3	8.38	7.68	8.60	1345.40	1280.10	-1.04%	95.15%		
2018	1,327.0	27,862,228	20,996	4.59%	163.3	7.95	7.43	8.52	1299.20	1237.20	-3.43%	95.23%		
2019	1,292.0	28,816,392	22,304	6.23%	162.1	6.57	8.27	8.85	1264.80	1206.30	-2.65%	95.37%		
2020	1,236.0	27,511,532	22,259	-0.20%	143.3	8.80	8.10	8.60	1235.10	1196.40	-2.35%	96.87%		
2021	1,140.0	28,336,419	24,857	11.67%	167.8	9.22	8.03	8.78	1126.40	1078.70	-8.80%	95.77%		
2022	1,154.0	29,400,395	25,477	2.50%	155.7	7.75	6.96	6.96	1137.30	1070.70	0.97%	94.14%		
2023	1,061.0	30,761,492	28,993	13.80%	112.0	10.59	9.70	9.64	1175.52	1099.84	3.36%	93.56%		

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



Pitman School District  
 School Building Information,  
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>District Buildings</b>										
<b>Elementary</b>										
Memorial School (1962)										
Square Feet	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717
Capacity (students)	309	309	309	309	309	309	309	309	309	309
Enrollment	230	221	208	200	182	187	183	118	207	226
Kindle School (1926)										
Square Feet	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977
Capacity (students)	217	217	217	217	217	217	217	217	217	217
Enrollment	211	205	195	187	174	166	165	201	177	167
WCK Walls School (1926)										
Square Feet	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902
Capacity (students)	274	274	274	274	274	274	274	274	274	274
Enrollment	238	236	228	248	246	229	211	185	175	168
Middle School (1922)										
Square Feet	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684
Capacity (students)	381	381	381	381	381	381	381	381	381	381
Enrollment	359	350	343	307	302	306	314	281	260	252
High School (1971)										
Square Feet	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	436	436	433	401	401	379	351	332	340	318

Number of Schools at June 30, 2023  
 Elementary - 3  
 Middle - 1  
 High - 1

Source: District Records, ASSA

**General Fund  
Schedule of Required Maintenance for School Facilities,  
Last Ten Fiscal Years  
(Unaudited)**

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	Gross Square Footage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Memorial School (1962)	65,717	16,493	38,508	59,750	21,228	35,466	39,261	10,366	10,503	21,083	17,390
Kindle School (1926)	32,977	19,909	54,747	145,441	371,286	25,344	29,271	10,989	11,591	10,015	15,733
WCK Walls School (1926)	38,902	11,813	16,393	21,229	16,061	58,481	45,330	7,393	13,587	13,716	12,458
Middle School (1922)	78,684	70,458	38,563	69,653	35,261	28,193	29,443	26,538	35,514	33,687	31,757
High School (1971)	99,415	131,443	295,446	142,350	52,601	123,768	44,472	57,446	51,181	48,138	51,243
		<u>250,116</u>	<u>443,657</u>	<u>438,423</u>	<u>496,437</u>	<u>271,252</u>	<u>187,777</u>	<u>112,732</u>	<u>122,376</u>	<u>126,639</u>	<u>128,581</u>

Source: District Records

**Pitman School District**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2023**  
*(Unaudited)*

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
School Package Policy -Atlantic and Cape May Counties Association of School Business Officials JIF			
Property, Inland Marine and Automobile Physical Damages			
	Limit of Liability	175,000,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		500
	Property Valuation	Replacement Cost	
Boiler and Machinery			
	Limit of Liability	125,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible		1,000
Crime			
	Limit of Liability	500,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		500
General and Automobile Liability			
	Limit of Liability	20,000,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		None
Workers' Compensation			
	Limit of Liability	Statutory	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		None
Educator's Legal Liability			
	Limit of Liability	20,000,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		None
Pollution Legal Liability			
	Limit of Liability	3,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible – Pollution Incident		25,000
	Member District Deductible – Mold Incident		100,000-250,000
Cyber Liability			
	Limit of Liability	2,000,000	
	GCSSD JIF Self Insured Retention		None
	Member District Deductible		50,000-100,000
Crisis Protection & Disaster Management Services			
	Limit of Liability	1,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible		10,000
Hanover Insurance Group			
	Surety Bond - Business Administrator	250,000	



**SINGLE AUDIT SECTION**

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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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pitman School District's basic financial statements, and have issued our report thereon dated January 5, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pitman 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*

Ford, Scott & Associates, LLC.  
Certified Public Accountants

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

**January 5, 2024**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-2

**Report on Compliance with for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08**

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

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

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

We have audited the Pitman School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Pitman School District's major federal and state programs for the year ended June 30, 2023. The Pitman 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 Pitman School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

### **Basis for Opinion on Each Major Federal & State Program**

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

We are required to be independent of the Pitman 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 opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Pitman School District's compliance with the 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 its 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 Pitman 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pitman School District's compliance with the requirements of each major federal or state program as a whole.

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

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

## **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

## **Report on Internal Control Over Compliance**

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*

Ford, Scott & Associates, LLC.  
Certified Public Accountants

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

**January 5, 2024**

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PITMAN SCHOOL DISTRICT  
Schedule of Expenditures of Federal Award  
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Balance at June 30, 2022		Budgetary Expenditures		Unearned Revenue	Balance at June 30, 2023 (Accounts Receivable)
					Accounts Receivable	Unearned Revenue	Source Pass Through	Total		
<b>U. S. Department of Agriculture</b>										
<b>Passed-through State Department of Education:</b>										
Enterprise Fund:										
Food Distribution Program	10.555	2023NJ0304N089	N/A	45,777 \$	\$	45,777 \$	(45,777)	\$	-	\$
School Breakfast Program	10.553	2023NJ0304N089	N/A	19,778	(14,985)	18,734	(19,778)			(1,044)
National School Lunch Program	10.555	2023NJ0304N089	N/A	242,663	133,146	14,985	(133,146)			(6,679)
National School Lunch Program	10.555	2023NJ0304N089	N/A	511,539	(51,566)	33,753	(133,146)			
COVID-19 - National School Lunch	10.555	2021NJ0304N089	N/A	599,152	(32,616)	38,372	(38,372)	51,666		
COVID-19 - School Breakfast Program	10.553	2021NJ0304N089	N/A	378,236	(26,577)	26,577		32,616		
COVID-19 - Supply Chain	10.555	2023NJ0304N089	N/A	38,372						
COVID-19 - Supply Chain	10.555	2022NJ0304N089	N/A	28,144	(159,597)	304,665	(237,073)	84,282		(7,723)
Total Child Nutrition Cluster					(159,597)	304,665	(237,073)	84,282		(7,723)
Total Enterprise Fund										
<b>U.S. Department of Health and Human Services</b>										
<b>Passed-through State Department of Health and Human Services</b>										
Medical Assistance (SEMI)	93.778	2105NJ9MAP	N/A	52,424		52,424	(52,424)			
COVID-19 Medical Assistance (SEMI)	93.778	2105NJ9MAP	N/A	7,396	(6,173)	7,396	(7,396)			
Medical Assistance (SEMI)	93.778	2105NJ9MAP	N/A	51,172		6,173				
Total General Fund					(6,173)	65,993	(59,820)			
<b>U.S. Department of Education</b>										
<b>Passed-through State Department of Education:</b>										
Special Revenue Fund:										
Title I, Part A	84.010A	S010A220030	ESEA414023	185,297		138,514	(166,811)			(28,297)
Title I, Part A	84.010A	S010A220030	ESEA414022	193,077	(67,991)	67,991				
Title I, SIA, Part A	84.010A	S010A220030	ESEA414023	33,040		21,175	(31,741)			(10,566)
Total Title I					(67,991)	227,680	(198,552)			(38,863)
Title II	84.367A	S367A20029	ESEA414023	61,169		21,104	(43,004)			(21,900)
Title II	84.367A	S367A210029	ESEA414022	51,043	(33,520)	33,370				(150)
Total Title II					(33,520)	54,474	(43,004)			(22,050)
Title III	84.424A	S365A220030	ESEA414023	1,000	(825)					(825)
Title III	84.424A	S365A210030	ESEA414022		(825)					(825)
Total Title III					(825)					(825)
ID.E.A. Part B - Basic	84.027A	H027A220100	IDEA414023	345,347		245,988	(345,347)			(99,359)
ID.E.A. Part B - Basic	84.027A	H027A210100	IDEA414022	346,304	(62,934)	62,934				
ARP - IDEA Basic	84.027X	H027X210100	IDEA414022	52,280	(11,814)	11,814	(997)			(997)
ID.E.A. Part B - Preschool	84.173A	H173A220114	IDEA414023	15,387	(959)	1,381	(1,381)			
ID.E.A. Part B - Preschool	84.173A	H173A210114	IDEA414022	14,432		959				
ARP - IDEA Preschool	84.173X	H173X210114	IDEA520022	4,454						
Total Special Education Cluster					(75,707)	323,076	(347,725)			(100,356)
CRRSA - ESSER II	84.425D	S425D210027	N/A	513,244	(5,799)	154,247	(289,597)			(141,149)
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	32,898	(11,341)	16,127	(16,881)			(10,095)
CRRSA - Mental Health	84.425D	S425D210027	N/A	45,000	(8,918)	20,214	(33,292)			(21,996)
ARP - ESSER	84.425U	S425U210027	N/A	1,153,482	(86,000)	331,045	(625,604)			(282,759)
ARP - Accelerated Learning (Instruction)	84.425U	S425U210027	N/A	94,918		35,791	(35,791)			
ARP - Evidence Based Summer Learning	84.425U	S425U210027	N/A	40,000		3,900	(21,060)			(21,060)
ARP - Beyond the School Day (After-school)	84.425U	S425U210027	N/A	40,000			(4,499)			(4,499)
ARP - JUTSS Mental Health	84.425W	S425W210031	N/A	45,000			(6,900)			(6,900)
ARP - Homeless	84.425W	S425W210031	N/A	3,060						
Total Cares Cluster					(114,058)	563,324	(974,234)			(524,968)
Total Special Revenue Fund					(292,101)	1,168,554	(1,563,515)			(687,062)
Total Federal Financial Assistance					(457,871)	1,539,212	(1,860,408)	84,282		(694,795)

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

**PITMAN SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>															
General Fund:															
State Aid Public Cluster:															
Special Education Aid	23-495-034-5121-089	925,239	7/1/2022	6/30/2023	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Security Aid	23-495-034-5121-084	142,285	7/1/2022	6/30/2023			925,239	(925,239)					89,174	925,239	
Equization Aid	23-495-034-5120-078	5,766,740	7/1/2022	6/30/2023			142,285	(142,285)					13,713	142,285	
Supplemental Stabilization Aid	23-495-034-5121-494	973,152	7/1/2022	6/30/2023	(685,125)		5,766,740	(5,766,740)					555,798	5,766,740	
Maintenance of Equity	23-495-034-5120-128	685,125	7/1/2021	6/30/2022			873,152	(973,152)						973,152	
							685,125							685,125	
Total State Aid Public Cluster							8,492,541	(7,807,416)					658,685	8,492,541	
Transportation Aid	23-495-034-5121-014	148,522	7/1/2022	6/30/2023			148,522	(148,522)					14,315	148,522	
Securing Our Children's Future Bond Act	n/a	70,277	7/1/2021	6/30/2022	(70,277)		70,277								
Lead Testing for Schools Aid	22-495-034-5120-104	2,959	7/1/2021	6/30/2022	(2,959)		2,959							2,959	
Extraordinary Aid	23-100-034-5120-044	201,096	7/1/2021	6/30/2023					(201,096)					201,096	
Extraordinary Aid	21-100-034-5120-044	218,620	7/1/2021	6/30/2022	(218,620)									218,620	
On-Behalf TPAF Pension	22-495-034-5094-002	4,202,082	7/1/2022	6/30/2023			218,620	(4,202,082)						4,202,082	
On-Behalf TPAF Post-Retirement	22-495-034-5094-001	1,103,877	7/1/2022	6/30/2023			4,202,082	(1,103,877)						1,103,877	
On-Behalf TPAF LTD	22-495-034-5094-004	877	7/1/2022	6/30/2023			1,103,877	(877)						877	
Reimbursed TPAF Social Security	23-495-034-5094-003	844,350	7/1/2022	6/30/2023			844,350	(844,350)						844,350	
Reimbursed TPAF Social Security	22-495-034-5094-003	856,052	7/1/2021	6/30/2022	(39,805)		39,805		(2,610)					856,052	
Total General Fund					(331,661)		15,121,300	(14,308,220)					673,000	16,070,976	
Special Revenue Fund:															
Preschool Education Aid	23-495-034-5121-086	1,036,714	7/1/2021	6/30/2023			1,036,714	(820,405)			216,309		103,671	820,405	
SDA Emergent Needs	n/a	30,089	7/1/2021	6/30/2022	239						239			571,978	
Building Capacity Comprehensive Grant	22-100-034-5062-032	168,750	2/1/2022	1/31/2023			168,745	(168,253)			492			168,750	
Total Special Revenue Fund					239		1,205,459	(988,658)			217,040		103,671	1,576,198	
<b>State Department of Education</b>															
Debt Service Fund:															
Debt Service Aid	23-100-034-5120-017	326,582	7/1/2022	6/30/2023			326,582	(326,582)						326,582	
Total Debt Service Fund							326,582	(326,582)						326,582	
<b>State Department of Agriculture:</b>															
Enterprise Fund:															
State School Lunch Program	23-100-010-3350-023	6,285	7/1/2022	6/30/2023			5,951	(6,285)						6,285	
State School Lunch Program	22-100-010-3350-023	15,896	7/1/2021	6/30/2022	(777)		777							15,896	
State School Lunch Program	21-100-010-3350-023	28,278	7/1/2020	6/30/2021	(3,680)		1,098	(1,159)		3,680				28,278	
State School Breakfast Program	23-100-010-3350-023	1,159	7/1/2022	6/30/2023			7,826	(7,444)						50,459	
Total Enterprise Fund					(4,457)		16,661,167	(15,630,904)			217,040		776,671	18,024,215	
Total State Financial Assistance					(335,879)		16,661,167	(15,630,904)			217,040		776,671	18,024,215	
Less: On-Behalf TPAF Pension															
Less: On-Behalf TPAF Post-Retirement															
Less: On-Behalf TPAF LTD															
Total State Financial Assistance															
(10,324,068)															

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

**PITMAN SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2023**

**Note 1: General**

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

**Note 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The School District has elected not to use the 10% de minimis indirect cost rate.

**Note 3: Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$102,639 for the general fund and (\$108,147) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	Federal	State	On-Behalf Contributions	Total
General Fund	\$ 59,820	14,410,859	(6,151,186)	8,319,493
Special Revenue Fund	1,563,365	882,579		2,445,944
Debt Service Fund		326,582		326,582
Food Service Fund	237,073	7,444		244,517
Total Financial Assistance	\$ 1,860,258	15,627,464	(6,151,186)	11,336,536

**PITMAN SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2023  
(CONTINUED)**

The On-Behalf Pension Contributions made for the District by the State of New Jersey are recognized as revenue in the basic financial statements but are not considered in the major program determination.

**Note 4: Relationship to Federal and State Financial Reports**

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

**Note 5: Other**

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

**Note 6: Adjustments**

Amounts reported in the column entitled "adjustments" are shown in the table below for fiscal year 2022-2023:

	Federal	State
Prior year receivables canceled	\$ 84,282	3,680
Total Financial Assistance	\$ 84,282	3,680



**PITMAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2023**

**Exhibit K-6**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: An Unmodified Opinion was issued on the Basic Financial Statements, dated January 5, 2024

Internal control over financial reporting:

1) Material weakness identified? No

2) Significant deficiencies identified? None reported

Noncompliance material to basic financial statements noted? No

**Federal Awards**

Internal control over major programs:

1) Material weakness identified? No

2) Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major programs An Unmodified Opinion was issued on the Basic Financial Statements, dated January 5, 2024

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Uniform Guidance? Yes

Identification of major programs:

<b><u>Assistance Listing Number(s)</u></b>	<b><u>Name of Federal Program or Cluster Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act</u></b>
84.425D	ESSER II
84.425D	CRRSA – Learning Acceleration
84.425D	CRRSA – Mental Health
84.425U	ARP – ESSER
84.425U	ARP – Evidence Based Summer
84.425U	ARP – Beyond School Day
84.425U	ARP- NJTSS Mental Health
84.425W	ARP - Homeless

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

Auditee qualified as low-risk auditee? Yes

**PITMAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2023  
(CONTINUED)**

Exhibit K-6

**Section I – Summary of Auditor’s Results (Continued)**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs, dated January 5, 2024
Internal Control over major programs:	
1) Material weaknesses identified?	No
2) Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-034-5120-089 495-034-5120-084 495-034-5120-078 495-034-5120-494	<u>State Aid Public Cluster</u> Special Education Aid Security Aid Equalization Aid Supplemental Stabilization Aid
495-034-5094-003 495-034-5121-086	TPAF Social Security Preschool Education Aid

**Section II - Financial Statement Findings**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

None

**PITMAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2023  
(CONTINUED)**

**Exhibit K-6**

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

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

**FEDERAL AWARDS**

Our audit disclosed no matters to be reported.

**STATE AWARDS**

Our audit disclosed no matters to be reported.

**PITMAN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDING JUNE 30, 2023**

**Exhibit K-7**

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

**Financial Statement Findings**

**Finding 2022-001**

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

Status: The condition has not been fully implemented. However, the Department of Agriculture has allowed districts to implement a plan to spend the excess funds during the upcoming school year.

**Federal Awards**

**Finding 2022-001**

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

Status: The condition has not been fully implemented. However, the Department of Agriculture has allowed districts to implement a plan to spend the excess funds during the upcoming school year.

**State Financial Assistance**

No Prior Year Findings.