

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF PITTSBORO**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2023

**Prepared by
Pittsboro Township Board of Education
Finance Department**

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OF THE PITTSBORO TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

PITTSGROVE TOWNSHIP SCHOOLS

Administration Building
1076 Almond Road, Pittsgrove, New Jersey 08318-3950
(856) 358-3094 Fax: (856) 358-6020

STEFANIE FOX-MANNO
Chief Academic Officer, Ext. 4013

COURTNEY MC NEELY
Superintendent of Schools, Ext. 4016

DARREN HARRIS
Bus. Admin./Board Secretary, Ext. 4018



November 30, 2023

Honorable President and Members
of the Board of Education
Pittsgrove Township Board of Education
County of Salem
Pittsgrove, N.J. 08318

Dear Board Members:

The annual comprehensive financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

We are an Equal Opportunity Employer - E/M

1. REPORTING ENTITY AND ITS SERVICES:

The Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Pittsgrove Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK–12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2022-23 fiscal year with an enrollment of 1,669 students, including Academy students, which is 14 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	1,669.0	0.85%
2021-22	1,655.0	(0.24%)
2020-21	1,659.0	(0.30%)
2019-20	1,664.0	(5.19)%
2018-19	1,755.0	0.57%
2017-18	1,745.0	3.56%
2016-17	1,685.0	(6.54)%
2015-16	1,803.0	0.11%
2014-15	1,801.0	3.32%
2013-14	1,743.0	1.34%

2. ECONOMIC CONDITION AND OUTLOOK:

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to level off for the immediate future according to the most recent demographic study. The 2017-2018 school year marked the full consolidation between the Elmer Borough Board of Education and Pittsgrove Township Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade.

3. MAJOR INITIATIVES/CURRICULAR INITIATIVES:

Technology:

The Board of Education continues to support the integration of technology into the curriculum. The District uses a cloud-based infrastructure and Google platform, as well as student Chromebooks. Every administrator and teacher is equipped with an Apple laptop. With the maturation of web-based or cloud-based services, we have seen a trend and shift in expenditures from device-centric to network-centric items and solutions. As a result, network infrastructure, security systems, and bandwidth are trending up in regard to the percentage of the budget, whereby device costs are trending down.

The use of Chromebooks helps to support the District's goal of increasing 21st Century technology skills and collaboration. With these devices, our students are readily able to utilize their own pittsgrove.net G-mail accounts and interface with Google Docs. Interactive displays, which bring rich, web-based educational content on screen, are utilized as a teaching tool in every classroom across the District. Makerspace provides an interactive environment where students can create, investigate, and engage in technology-related activities.

The Supervisor of Technology provides support and suggests best practices in student and teacher uses of educational technology. Members of the Technology Department implement new classroom technologies, model effective use, and help guide the educational technology vision of the Pittsgrove Township School District. Under the direction of the Supervisor of Technology, the major network infrastructure of the District has been upgraded to the advanced Cisco Meraki System. Security upgrades and enhancements were also performed. This year's implemented resources help to keep the Pittsgrove Township School District current and in many cases, ahead of the curve in educational technology.

Norma, Elmer, and Olivet Elementary Schools:

Norma Elementary School continues to operate a Pre-School Program, which now offers ten tuition-free full-day programs for three and four-year-old students. The program operates from state preschool funding with a local contribution to support students with IEPs.

Norma, Elmer, and Olivet School continue to receive professional development and support materials for curricula revision, benchmark creation, and the implementation of an RTI program.

Pittsgrove Township Middle School:

During the 2022-2023 school year, staff members have revised their current assessments to align the questions with the revised curricula.

Arthur P. Schalick High School:

Arthur P. Schalick High School strives to attain the highest level of academic achievement for all of its students. Academic rigor, high expectations, social and moral standards, and a commitment to excellence are embedded in all educational programs. The Academy is a joint venture with the Salem County Vocational Technical School District and is housed at Schalick High School. Each year, many students from the surrounding areas, as well as Schalick students, are accepted into the Academy Program.

The utilization of half-day in-service sessions has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis. This professional development will better enable teachers to use data from assessments to inform instruction.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

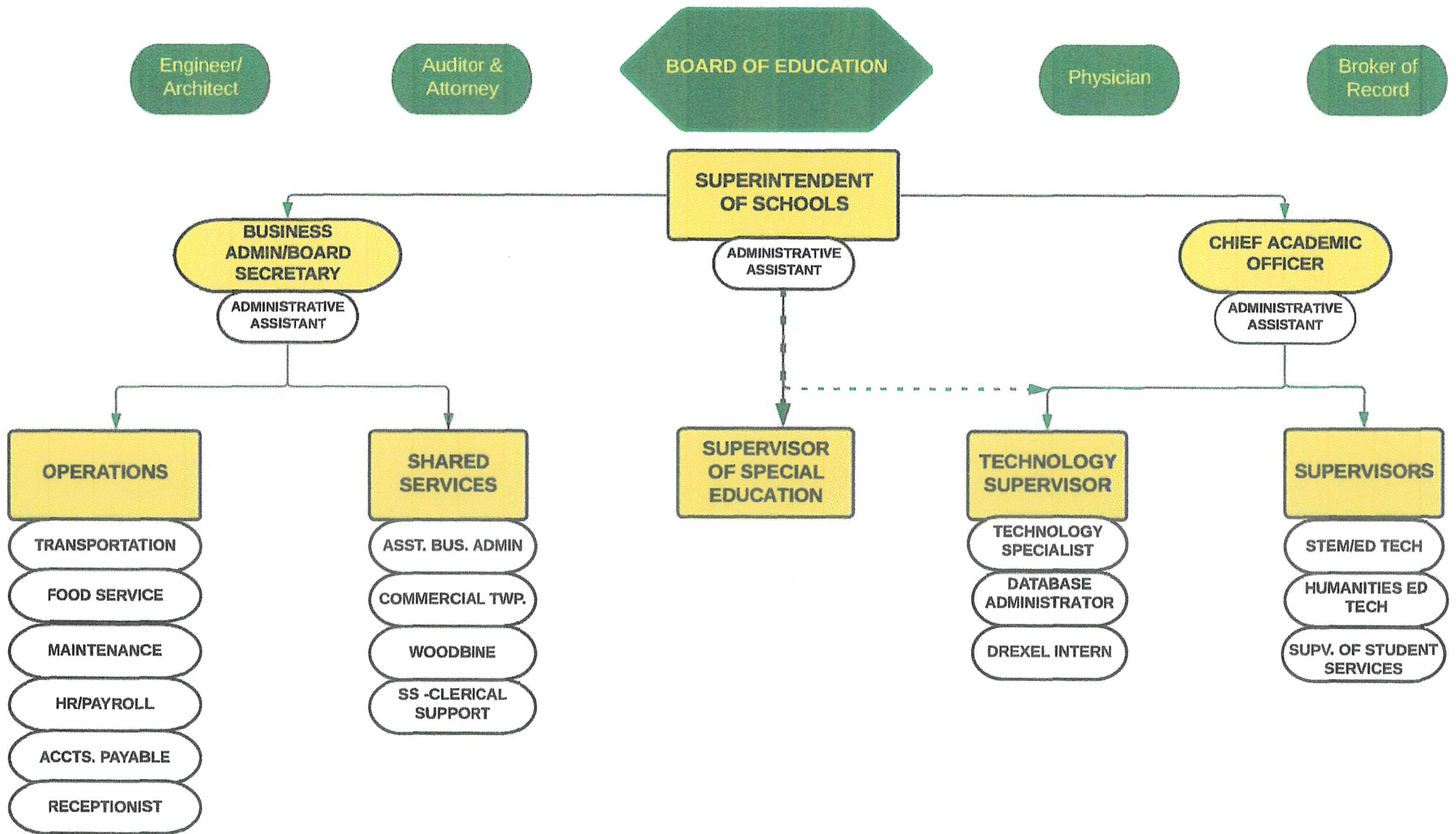
Courtney McNeely

Darren Harris

Courtney McNeely
Superintendent of Schools

Darren Harris
Business Administrator/
Board Secretary

**2022-2023
PITTSBURGH SCHOOL DISTRICT
ORGANIZATIONAL CHART
DISTRICT WIDE ADMINISTRATION**



PITTSGROVE TOWNSHIP SCHOOLS

Administration Building
1076 Almond Road, Pittsgrove, New Jersey 08318-3950
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STEFANIE FOX-MANNO
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COURTNEY MC NEELY
Superintendent of Schools, Ext. 4016

DARREN HARRIS
Bus. Admin./Board Secretary, Ext. 4018



P.R.I.D.E.

Pittsgrove Township Board of Education
Roster of Officials
June 30, 2023

<u>Board Members Names</u>	<u>Position</u>	<u>Term Expires</u>
Emily Cannon	President	2024
Steven DiMatteo	Vice President	2023
Samuel Wheaton	Board Member	2023
Angie Bradley	Board Member	2025
Andrea Foster	Board Member	2025
Timothy Hack	Board Member	2023
Denzil Hardman	Board Member	2025
Elisa Moll	Board Member	2024
Jean Sparacio Scarani	Board Member	2024

Other Officials

Courtney McNeely	Superintendent
Darren Harris	Business Administrator
Wilentz, Goldman, & Spitzer PA	Bond Council
Capehart Scatchard	General Council/Labor Relations & Negotiations

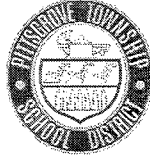
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Bus. Admin./Board Secretary, Ext. 4018



P.R.I.D.E.

Pittsgrove Township Board of Education
Consultants & Advisors
June 30, 2023

Architect

Garrison Architects
14000F Commerce Parkway
Mount Laurel, NJ 08054

Audit Firm

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

Attorney

General Counsel/Labor Relations & Negotiations
Mr. Robert Muccilli
Capehart Scatchard
8000 Midlantic Drive, Ste. 3005
Mount Laurel, NJ 08054

Special Counsel

Mr. Frank Cavallo
Parker McCay, P.A.
P.O. Box 5054
Mount Laurel, NJ 08054

Bond Counsel

Anthony Solomini
Wilentz Law Group
John F Kennedy Blvd, Suite 910 Two Penn Center Plaza
Philadelphia, PA 19102

Official Depository

First National Bank of Elmer
P.O. Box 980
Elmer, NJ 08318

Fiscal Agent

Phoenix Advisors
625 Farnsworth Avenue
Fieldsboro, NJ 08505

We are an Equal Opportunity Employer - F/M

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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Williamstown, NJ 08094

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem, New Jersey 08318-3950

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Pittsgrove Township School District in the County of Salem, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the Pittsgrove Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Pittsgrove Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

UNAUDITED

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ General revenues of the District accounted for \$34,356,934 in revenue, net of the transfer to charter schools of \$214,058, or 80.8% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$8,181,270 or 19.2% percent to total revenues of \$42,538,204.
- ❖ Total Net Position of governmental activities increased by \$2,331,905 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The Net Position of the Business-type Activities decreased by \$16,354.
- ❖ The School District had \$40,222,653 in total expenses, of which \$8,181,270 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$42,538,204 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$38,258,190 in revenues, \$37,671,867 in expenditures, proceeds from lease purchase of \$365,000, a transfer to the preschool program of \$153,621 and \$214,058 transferred to a Charter School. The General Fund balance increased by \$583,644 over 2022. This increase was anticipated by the Board of Education.

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 Pittsgrove Township School District as a financial whole as well as 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. In the case of Pittsgrove Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District's Net Position and changes that position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. 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, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and School Age Childcare enterprise funds are reported as business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-Type Activities.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2023 and 2022.

Table 1
Net Position

	<u>2022</u>	<u>2023</u>
Assets		
Current and Other Assets	\$ 7,329,355	\$ 9,104,499
Capital Assets, Net	15,308,042	15,474,651
Total Assets	<u>22,637,397</u>	<u>24,579,150</u>
Deferred Outflows of Resources	<u>487,694</u>	<u>655,124</u>
Liabilities		
Other Liabilities	2,643,261	3,893,628
Non-Current Liabilities	9,232,656	9,540,248
Total Liabilities	<u>11,875,917</u>	<u>13,433,876</u>
Deferred Inflows of Resources	<u>2,975,779</u>	<u>1,211,452</u>
Net Position		
Invested in Capital Assets, Net of Debt	10,167,895	10,975,384
Restricted	2,874,670	5,170,337
Unrestricted (Deficit)	(4,769,170)	(5,556,775)
Total Net Position	<u>\$ 8,273,395</u>	<u>\$ 10,588,946</u>

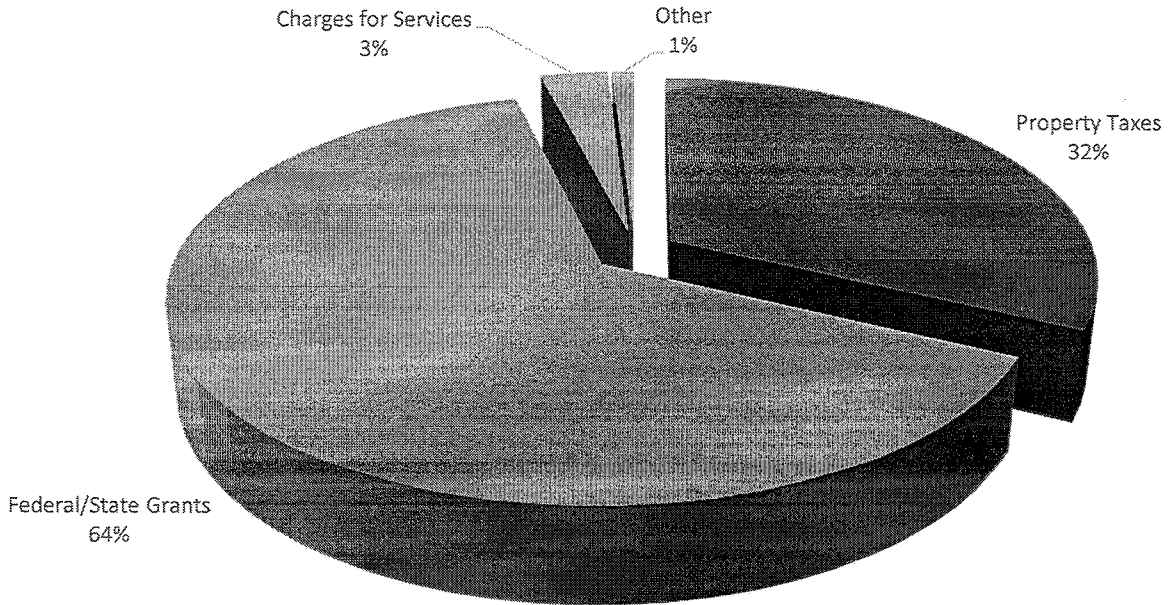
Table 2 shows the changes in Net Position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

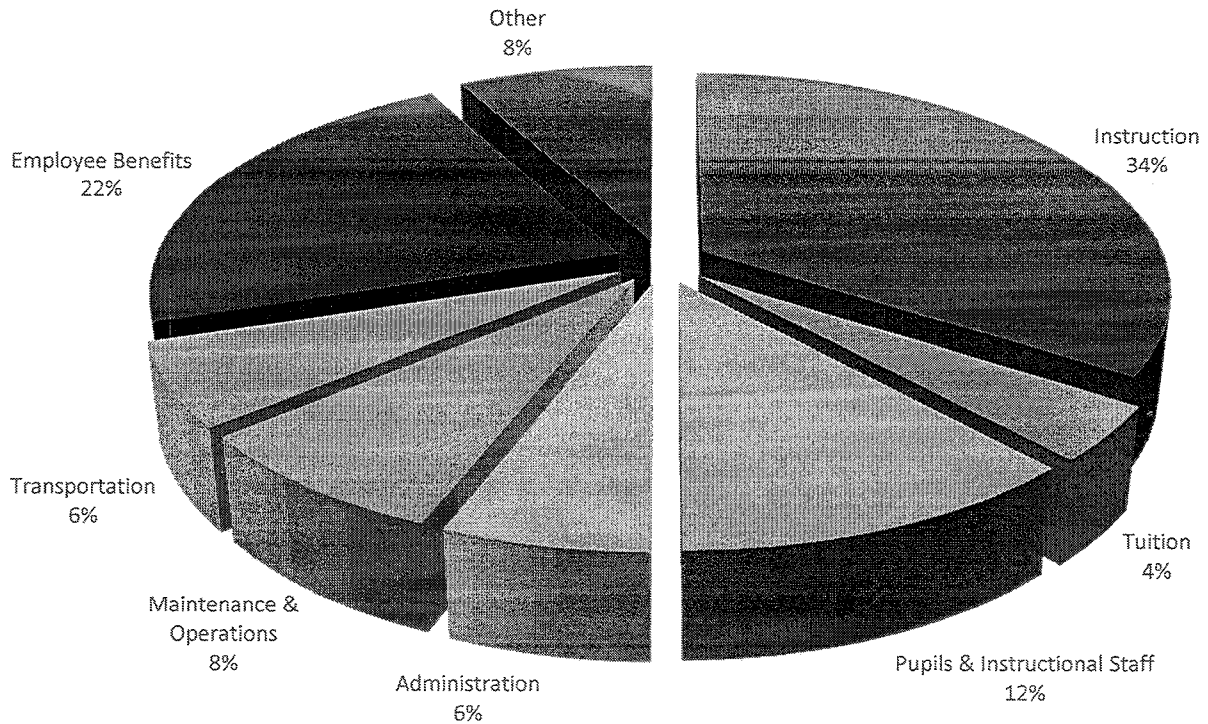
	<u>2022</u>	<u>2023</u>
Revenues		
Program Revenues		
Charges for Services	\$ 1,299,243	\$ 1,394,202
Operating Grants and Contributions	8,091,748	6,787,068
General Revenues		
Property Taxes	13,993,349	14,263,907
Grants and Entitlements	19,862,875	19,473,082
Other	510,404	834,003
	<u>43,757,619</u>	<u>42,752,262</u>
Program Expenses		
Instruction	13,261,436	14,024,882
Tuition	1,227,743	1,415,556
Support Services		
Pupils and Instructional Staff	5,115,249	4,991,745
General Administration, School		
Administration, Business Admin	2,308,453	2,387,807
Operations and Maintenance of Facilities	2,552,123	3,168,619
Pupil Transportation	2,378,158	2,635,294
Pupil Transportation	9,809,900	8,646,294
Pupil Transportation		
Interest on Debt	65,553	175,579
Food Service and Child Care	1,286,504	1,070,595
Other	1,558,057	1,706,282
	<u>39,563,176</u>	<u>40,222,653</u>
Excess of Expenditures over Revenues	4,194,443	2,529,609
Other Adjustments:	103,880	
Transfer to Charter School	(314,621)	(214,058)
	<u>3,983,702</u>	<u>2,315,551</u>
(Decrease) Increase in Net Position	\$ 3,983,702	\$ 2,315,551

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2023 are illustrated in the two charts shown below:

Revenue for Fiscal Year 2023



Expenses for Fiscal Year 2023



Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental net revenues of the Pittsgrove Township School District for fiscal year 2023, excluding business-type activities and other net financing uses, were \$34,355,591. The District's Property taxes made up 41% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 57%. The total cost of services was \$39,152,058. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$32,023,686. Instruction comprises 34% of these net District expenses.

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

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 14,024,882	\$ 10,838,360	\$ 13,261,436	\$ 10,452,622
Tuition	1,415,556	1,415,556	1,227,743	1,227,743
Support Services				
Pupils and Instructional Staff	4,991,745	3,243,030	5,115,249	3,115,114
General Administration, School				
Administration, Business	2,387,807	2,262,191	2,308,453	2,138,277
Operation and Maintenance of Facilities	3,168,619	3,168,619	2,552,123	2,552,123
Pupil Transportation	2,635,294	2,635,294	2,378,158	2,184,285
Employee Benefits	8,646,294	6,578,775	9,809,900	7,200,493
Special Schools				
Interest and Fiscal Charges	175,579	175,579	65,553	65,553
Other	1,706,282	1,706,282	1,558,057	1,558,057
Total Expenses	<u>\$ 39,152,058</u>	<u>\$ 32,023,686</u>	<u>\$ 38,276,672</u>	<u>\$ 30,494,267</u>

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

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 District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Curriculum and staff development expenses (included in support services) related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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 as well as internal service fund expenses.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization of debt issue costs.

Business-Type Activities

Revenues for the District’s Business-Type Activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- ❖ Program expenses exceeded revenues by \$17,697. There was no board subsidy required for the year. This resulted in a negative change in Net Position of \$12,675 in the Food Service Fund and a negative change of \$5,022 in the Child Care Fund.
- ❖ Charges for services represent \$308,066 for the Food Service Fund and \$177,554 in the Child Care (SACC) Fund. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$567,278.

The School District’s Funds

Information about the School District’s major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$43,516,851 and expenditures of \$43,071,042, along with the transfer to a Charter School of \$214,058 and proceeds from a Lease Purchase of \$365,000. The net positive change in Governmental fund balances for the year was \$596,751, which includes \$583,644 in the General fund, \$29,200 in the Special Revenue Fund, and \$(16,093) in the Debt Service Fund. The District was, therefore, able to meet current operating costs without an appropriation of surplus and with no urgent need for additional funds.

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. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 15,054,802	34.60%	\$ 248,593	1.68%
State Sources	26,259,326	60.34%	728,808	2.85%
Federal Sources	2,202,723	5.06%	263,587	13.59%
Total	\$ 43,516,851	100.00%	\$ 1,240,988	2.94%

The increase in Local sources is attributed to increases in local tax levy of \$270,558, offset by decreases in other miscellaneous revenue of \$21,965.

The increase in State sources is attributed to increases in various state public aid of \$728,808.

The increase in Federal sources is due to net increases in various other special revenue grants of \$263,587. In addition, the 2023 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2023 and the percentage of increases and decreases in relation to prior year amounts.

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 13,544,916	31.45%	\$ 946,044	7.51%
Undistributed Expenditures	27,218,499	63.19%	1,326,071	5.12%
Capital Outlay	1,566,817	3.64%	(1,196,228)	-43.29%
Debt Service:				
Principal	700,000	1.63%	10,000	1.45%
Interest	40,810	0.09%	(12,292)	-23.15%
Total	\$ 43,071,042	100.00%	\$ 1,073,595	2.56%

The increase in instructional expenditures is attributed to increases in regular instruction of \$658,763, special education instruction of \$256,290 and other instruction expenses of \$30,991.

The increase in undistributed expenditures was due to increases in tuition of \$187,813, general administrative services of \$8,830, school administrative services of \$20,950, central services and information tech of \$25,405, plant operations and maintenance of \$315,331, pupil transportation of \$257,136 and employee benefits of \$634,110, offset by a decrease in student and instruction related services of \$123,504.

The decrease in capital outlay is attributed to an overall decrease in general fund capital outlay through Lease purchases.

The decrease in net debt service is the result of a decrease in interest payments on debt obligations offset by increased principal.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's original general fund budget anticipated using \$1,504,806 in fund balance, the actual results for the year show an increase of \$677,119, as shown on Exhibit C-1.

- ❖ Actual revenues were \$787,101 more than expected, excluding on-behalf pension, social security and long-term disability reimbursements of \$6,692,539, reflecting positive variances of \$271,772 in local revenues and \$526,110 in state aids, offset by less in federal aid of \$10,781.
- ❖ Actual expenditures were \$1,228,111 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension, social security and long term disability reimbursements of \$6,692,539.

Capital Assets

At the end of the fiscal year 2023, the School District had \$15,474,651 invested in Governmental Activity land, buildings, furniture and equipment, and vehicles. There was also \$195,529 in Business-type Activity Capital Assets. Table 4 shows fiscal 2023 balances compared to 2022.

	<u>2022</u>	<u>2023</u>
Land	\$ 196,431	\$ 196,431
Work in Progress	101,912	119,000
Land Improvements	806,618	744,163
Building and Improvements	12,396,093	12,313,141
Buses	892,283	945,054
Furniture and Equipment	804,175	859,172
Right-to-Use Lease Assets	110,530	297,690
Totals	<u>\$ 15,308,042</u>	<u>\$ 15,474,651</u>

Overall capital assets increased \$165,609 from fiscal year 2022 to fiscal year 2023. Increases in capital assets by purchase or construction were \$1,844,324 in the general funds and \$76,501 in the enterprise funds. These additions were offset by depreciation expenses of \$1,754,216 for the year, including Right-to-Use Lease Assets.

Debt Administration:

- At June 30, 2023, the District's outstanding debt was \$9,540,248 and included \$1,485,000 of general obligation bonds, \$702,058 in compensated absences and \$2,705,813 in capital leases. In addition, there was \$4,338,923 in Net Pension Liability and \$308,454 in Right-to use Lease Liability. At June 30, 2023, the School District's overall legal debt margin was \$27,913,655 and the amount available in the debt margin for future borrowing \$26,428,655 or 94.68% of the total allowable amount.

Remaining outstanding debt at June 30, 2023 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2023</u>
2020 Refunding Issue	4/9/2020	\$ 2,580,000	\$ 1,010,000
2013 Refunding Issue	3/20/2013	1,805,000	475,000

For the Future

The Pittsgrove Township School District is currently in sound financial condition. This statement is made in the context of strict growth limitations. Financing current programs in the future is the major concern for the administration and the Board of Education. A new funding structure that has increased reliance on property taxes adds to this concern. The future financing of educational programming will require the Pittsgrove Township School District to make some difficult decisions regarding the allocation of its resources.

The Board of Education continues its commitment to providing a quality education for the children of the Pittsgrove Township School District. Recent STEM and technology initiatives, as well as after-school clubs, attest to this fact. However, with resources being finite, and the continued pressure of federal and state mandated programs, the future is not without challenge. Pittsgrove Township is primarily a residential community with very few ratables. As a result, the homeowners bear the tax burden. The current down turn in the economy has impacted future State funding to the school, which has made the budget process more challenging. During this year's budget process, it will be the goal of the administration and the Board of Education to maintain its current program offerings and staffing, while carefully reviewing all cost centers throughout the District.

In conclusion, the Pittsgrove Township School District has committed itself to fiscal responsibility for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls meet all industry standards, and are functioning well. The District plans to continue its sound fiscal practice, while recognizing the challenge of finding alternate revenue sources to meet expense requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Darren Harris, School Business Administrator at Pittsgrove Township Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,995,008	\$ 503,123	\$ 3,498,131
Restricted Cash and cash Equivalents	2,410,550		2,410,550
Receivables, Net	3,115,962	76,913	3,192,875
Inventory		2,943	2,943
Capital Assets, Net (Note 8)	15,279,122	195,529	15,474,651
Total Assets	<u>23,800,642</u>	<u>778,508</u>	<u>24,579,150</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	655,124		655,124
	<u>655,124</u>		<u>655,124</u>
LIABILITIES			
Accounts Payable	784,976	125,986	910,962
Accrued Interest Payable	56,727		56,727
Unearned Revenue	2,903,596	22,343	2,925,939
Noncurrent Liabilities (Note 9):			
Due Within One Year	1,546,192		1,546,192
Due Beyond One Year	7,994,056		7,994,056
Total Liabilities	<u>13,285,547</u>	<u>148,329</u>	<u>13,433,876</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	1,211,452		1,211,452
NET POSITION			
Invested in Capital Assets, Net of Related Debt	10,779,855	195,529	10,975,384
Restricted for:			
Capital Reserve	1,681,855		1,681,855
Maintenance Reserve	728,695		728,695
Scholarships Awarded	113,379		113,379
Student Activities	221,589		221,589
Excess Surplus	2,424,819		2,424,819
Unrestricted (Deficit)	(5,991,425)	434,650	(5,556,775)
Total Net Position	<u>\$ 9,958,767</u>	<u>\$ 630,179</u>	<u>\$ 10,588,946</u>

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 10,897,816	\$ 459,731	\$ 2,726,791	\$ (7,711,294)		\$ (7,711,294)
Special Education	2,653,660			(2,653,660)		(2,653,660)
Other Instruction	473,406			(473,406)		(473,406)
Support Services:						
Tuition	1,415,556			(1,415,556)		(1,415,556)
Student & Instruction Related Serv.	4,991,745	323,235	1,425,480	(3,243,030)		(3,243,030)
School Administrative Services	554,743			(554,743)		(554,743)
General and Business Admin. Serv.	1,080,816	119,078		(961,738)		(961,738)
Central Services and Info. Tech.	752,248	6,538		(745,710)		(745,710)
Plant Operations and Maintenance	3,168,619			(3,168,619)		(3,168,619)
Pupil Transportation	2,635,294			(2,635,294)		(2,635,294)
Employee Benefits	8,646,294		2,067,519	(6,578,775)		(6,578,775)
Interest on Long-Term Debt	175,579			(175,579)		(175,579)
Unallocated Depreciation	1,706,282			(1,706,282)		(1,706,282)
Total Governmental Activities	39,152,058	908,582	6,219,790	(32,023,686)		(32,023,686)
Business-Type Activities:						
Food Service	888,019	308,066	567,278		(12,675)	(12,675)
Child Care	182,576	177,554			(5,022)	(5,022)
Total Business-Type Activities	1,070,595	485,620	567,278		(17,697)	(17,697)
Total Primary Government	\$ 40,222,653	\$ 1,394,202	\$ 6,787,068	(32,023,686)	(17,697)	(32,041,383)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				13,749,029		13,749,029
Taxes Levied for Debt Service				514,878		514,878
Federal and State Aid not Restricted				19,473,082		19,473,082
Tuition Received				205,684		205,684
Investment Earnings				73,999	1,343	75,342
Miscellaneous Income				187,977		187,977
Transfer to Charter school				(214,058)		(214,058)
Proceeds from Lease Purchase				365,000		365,000
Total General Revenues, Special Items, Extraordinary Items and Transfers				34,355,591	1,343	34,356,934
Change in Net Position				2,331,905	(16,354)	2,315,551
Net Position—Beginning				7,626,862	646,533	8,273,395
Net Position—Ending				\$ 9,958,767	\$ 630,179	\$ 10,588,946

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,195,819	\$ 45,401	\$	\$ 1,241,220
Restricted Cash and Cash Equivalents	2,410,550			2,410,550
District Tax Receivable	1,242,214			1,242,214
State Aid Receivable	479,580	169,157		648,737
Federal Aid Receivable	1,779	1,130,954		1,132,733
Receivables from Other Governments	34,069			34,069
Interfund Receivable	3,810			3,810
Other Accounts Receivable	4,445	26,027		30,472
Total Assets	<u>\$ 5,372,266</u>	<u>\$ 1,371,539</u>	<u>\$</u>	<u>\$ 6,743,805</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 618,991	\$ 143,214	\$	\$ 762,205
Payroll Deductions Payable	22,664			22,664
Unearned Revenue		1,125,988		1,125,988
Total Liabilities	<u>641,655</u>	<u>1,269,202</u>		<u>1,910,857</u>
Fund Balances:				
Restricted:				
Capital Reserve	1,681,855			1,681,855
Maintenance Reserve	728,695			728,695
Scholarships Awarded		113,379		113,379
Student Activities		221,589		221,589
Excess Surplus	1,748,204			1,748,204
Excess Surplus - Designated for Subsequent Year's Expenditures	676,615			676,615
Assigned:				
Year-End Encumbrances	406,221			406,221
Designated for Subsequent Year's Expenditures	87,256			87,256
Unassigned, Reported In:				
General Fund (Deficit)	<u>(598,235)</u>	<u>(232,631)</u>		<u>(830,866)</u>
Total Fund Balances	<u>4,730,611</u>	<u>102,337</u>		<u>4,832,948</u>
Total Liabilities and Fund Balances	<u>\$ 5,372,266</u>	<u>\$ 1,371,539</u>	<u>\$</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 \$50,101,309 and the accumulated depreciation is \$34,822,187 (See Note 8).	\$ 15,279,122
Deferred Outflow of Resources - Pension Actuarial Gains	655,124
Deferred Inflows of Resources - Employer Pension	(1,211,452)
Long Term Net Pension Liability	(4,338,923)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(56,727)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9).	(5,201,325)
Net Position of Governmental Activities (Deficit)	<u>\$ 9,958,767</u>

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

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

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local Tax Levy	\$ 13,749,029		\$ 514,878	\$ 14,263,907
Tuition Charges - LEA's	205,684			205,684
Interest Earned	73,999			73,999
Miscellaneous	135,409	375,803		511,212
Total - Local Sources	14,164,121	375,803	514,878	15,054,802
State Sources	24,068,958	1,980,529	209,839	26,259,326
Federal Sources	25,111	2,177,612		2,202,723
Total Revenues	38,258,190	4,533,944	724,717	43,516,851
EXPENDITURES				
Current:				
Regular Instruction	7,691,059	2,726,791		10,417,850
Special Education Instruction	2,653,660			2,653,660
Other Special Instruction				
Other Instruction	473,406			473,406
Support Services:				
Tuition	1,415,556			1,415,556
Student & Instruction Related Services	3,566,265	1,425,480		4,991,745
General Administrative Services	543,551			543,551
School Administrative Services	961,738			961,738
Central Services and Information Tech.	745,710			745,710
Plant Operations and Maintenance	3,440,266			3,440,266
Pupil Transportation	2,635,294			2,635,294
Employee Benefits	11,978,545	506,094		12,484,639
Debt Service:				
Principal			700,000	700,000
Interest and Other Charges			40,810	40,810
Capital Outlay	1,566,817			1,566,817
Total Expenditures	37,671,867	4,658,365	740,810	43,071,042
Excess (Deficiency) of Revenues over Expenditures	586,323	(124,421)	(16,093)	445,809
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(214,058)			(214,058)
Proceeds from Lease Purchase	365,000			365,000
Transfer to Preschool Program	(153,621)	153,621		
Total Other Financing Sources and Uses	(2,679)	153,621		150,942
Net Change in Fund Balances	583,644	29,200	(16,093)	596,751
Fund Balance—July 1	4,146,967	73,137	16,093	4,236,197
Fund Balance—June 30	\$ 4,730,611	\$ 102,337	\$	\$ 4,832,948

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 596,751

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

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

	Depreciation Expense \$	(1,737,709)	
	Capital Lease Principal paid in Operating Budget	497,154	
	Capital Outlays	1,513,557	
		273,002	273,002

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. 1,067,445

Proceeds from a capital lease are considered a financing source in the governmental funds. They are not, however, a revenue in the Statement of Activities, whereby issuing debt increases long-term liabilities in the Statement of Net Position. (365,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 700,000

Increase in Compensated Absences is not considered an expense in the fund statements. 1,723

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due. 4,374

Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 139,493

In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred. (85,883)

Change in Net Position of Governmental Activities (See A-2) **\$ 2,331,905**

PROPRIETARY FUNDS

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 462,700	\$ 44,233	\$ 506,933	\$ 1,749,978
Accounts Receivable	71,674	5,239	76,913	27,630
Interfund Receivable				107
Inventories	2,943		2,943	
Total Current Assets	<u>537,317</u>	<u>49,472</u>	<u>586,789</u>	<u>1,777,715</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	471,133		471,133	
Less Accumulated Depreciation	(275,604)		(275,604)	
Total Noncurrent Assets	<u>195,529</u>		<u>195,529</u>	
Total Assets	<u>732,846</u>	<u>49,472</u>	<u>782,318</u>	<u>1,777,715</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	125,986		125,986	
Interfund Payable	3,810		3,810	107
Unearned Revenue	22,343		22,343	1,777,608
Total Liabilities	<u>152,139</u>		<u>152,139</u>	<u>1,777,715</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	195,529		195,529	
Assigned to:				
Encumbrances				
Unrestricted	385,178	49,472	434,650	
Total Net Position	<u>\$ 580,707</u>	<u>\$ 49,472</u>	<u>\$ 630,179</u>	<u>\$</u>

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

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

	Business-type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 139,551	\$	\$ 139,551	\$
Daily Sales - Non-reimbursable Programs	153,515		153,515	
Satelite Services	15,000		15,000	
Service Charges		177,554	177,554	925,316
Total Operating Revenues	308,066	177,554	485,620	925,316
Operating Expenses:				
Cost of Sales - Non-Reimbursable Programs	25,690		25,690	
Cost of Sales - Program (reimbursable) Meals	369,839		369,839	
Purchased Services (Including Fixed Price Contract)	436,400		436,400	
Salaries		155,199	155,199	508,538
Employee Benefits		11,874	11,874	4,560
Purchased Professional/ Technical Services				6,538
Other Purchased Services		5,249	5,249	2,679
Tuition				45,011
Supplies and Materials	2,576	9,639	12,215	16,285
Miscellaneous Other Costs	37,007	615	37,622	1,736
Depreciation	16,507		16,507	
Total Operating Expenses	888,019	182,576	1,070,595	585,347
Operating Income (loss)	(579,953)	(5,022)	(584,975)	339,969
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	13,757		13,757	
State School Breakfast Program	2,648		2,648	
Federal Sources:				
National School Lunch Program	326,703		326,703	
National School Breakfast Program	113,223		113,223	
P-EBT Administrative Cost Reimbursement	653		653	
Supply Chain Assistance Funding	54,962		54,962	
Food Distribution Program	55,332		55,332	
Transfer to Unearned Revenue				(339,969)
Interest and Miscellaneous Items	1,189	154	1,343	
Total Non-operating Revenues (Expenses)	568,467	154	568,621	(339,969)
Income (Loss) before Contributions & Transfers	(11,486)	(4,868)	(16,354)	
Change in Net Position	(11,486)	(4,868)	(16,354)	
Total Net Position—Beginning	592,193	54,340	646,533	
Total Net Position—Ending	\$ 580,707	\$ 49,472	\$ 630,179	\$

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 308,066	\$ 177,554	\$ 485,620	\$ 1,181,417
Payments to employees		(155,199)	(155,199)	(508,538)
Payments for employee benefits		(11,874)	(11,874)	(4,560)
Payments to suppliers	(601,296)	(16,559)	(617,855)	(27,096)
Net cash provided by (used for) operating activities	(293,230)	(6,078)	(299,308)	641,223
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	16,405		16,405	
Federal Sources	495,541		495,541	
Transfer to Unearned Revenue				(339,969)
Net cash provided by (used for) non-capital financing activities	511,946		511,946	(339,969)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(76,501)		(76,501)	
Net cash provided by (used for) capital and related financing activities	(76,501)		(76,501)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	1,189	154	1,343	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	1,189	154	1,343	
Net increase (decrease) in cash and cash equivalents	143,404	(5,924)	137,480	301,254
Balances—beginning of year	319,296	50,157	369,453	1,448,724
Balances—end of year	\$ 462,700	\$ 44,233	\$ 506,933	\$ 1,749,978
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (579,953)	\$ (5,022)	\$ (584,975)	\$ 339,969
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	16,507		16,507	
Federal commodities	55,332		55,332	
(Increase) decrease in accounts receivable, net	58,537	(1,056)	57,481	
(Increase) decrease in interfund receivable	12,167		12,167	
(Increase) decrease in inventories	11,450		11,450	
Increase (decrease) in accounts payable	3,810		3,810	
Increase (decrease) in unearned revenue	123,236		123,236	359,428
Increase (decrease) in interfunds payable	5,684		5,684	
Total adjustments	286,723	(1,056)	285,667	301,254
Net cash provided by (used for) operating activities	\$ (293,230)	\$ (6,078)	\$ (299,308)	\$ 641,223

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$56,585 of food commodities from the U.S. Department of Agriculture

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Pittsgrove Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of sixty-five square miles. It is located in Salem County and provides education for all of Pittsgrove Township's grades K through 12. The District currently operates four instructional buildings, an administrative building, and a special services building.

A. Reporting Entity:

The Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2023 of 1,670 students.

The primary criterion for including activities within the District's reporting entity, per Sec. 2100 of 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basic financial statements prepared using full-accrual accounting for all of the District's activities.

The basic financial statements also include a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

B. Fund Accounting:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUND TYPE

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

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

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

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

The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2022 as revenue, but omits the last state aid payment of the current 2022-23 year received in July 2023

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

PROPRIETARY FUND TYPE

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and the School Age Child Care Program.

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

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

Food Service Fund:	
Equipment	12-20 Years

During the year the Food Service switched from a per cost center meal pricing to a fixed vended meal pricing through the Food Service Management Company.

Internal Service Fund - The Internal Service Fund has been established to account for various services provided by the Pittsgrove Township School District for use by various other districts within and outside of the County of Salem, as well as for the Pittsgrove Township School District itself. Services are generally provided on a cost-reimbursement basis.

The district implemented the use of internal service funds for the following:

- Business Services
- Internet Access
- Transportation Jointures
- Joint paper purchasing for other school districts
- Art Academy
- Transportation Maintenance Services
- Custodial Services

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a Scholarship Fund as a Nonexpendable Trust Fund.

C. Basis of Accounting and Measurement Focus:

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, 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. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. 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.

E. Encumbrances:

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. .

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. 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.

G. Tuition Payable:

Tuition charges for the fiscal years 2022-2023, 2021-2022, and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditure during the year of purchase. On district-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Of the \$2,943 in inventory reflected as of June 30, 2023, Federal Commodity Food represents \$2,943. There were no, purchased food or Supplies. Per agreement with the management Service Company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. 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 expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Long-Term Debt. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65.

N. Operating Revenues and Expenses:

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

O. Allocation of Indirect Expenses:

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

P. Extraordinary and Special Items:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

R. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Management 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 of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. Net position

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Fund balances - Governmental Funds

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

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

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

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

W. Fund Balance Reserves:

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

X. Revenues – Exchange and Non-exchange Transactions:

Revenue is resulting from exchange transactions, in which each party gives and receives essentially equal value, and is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Y. Tax assessments and property taxes:

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments 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 in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2023, the District had \$4,585,518 on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposit of governmental units.

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

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

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

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

	Cash and Cash Equivalents
Checking Accounts	\$ 1,323,163
N.J. Cash Management Fund	4,585,518
	\$ 5,908,681

Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$1,241,220
Enterprise funds, Statement of Net Position	B-4	506,933
Internal service funds, Statement of Net Position	B-4	1,749,978
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>2,410,550</u>
Total cash		<u>\$ 5,908,681</u>

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC.

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2023, the District's bank balance of \$6,726,496 was insured or collateralized as follows:

Insured	\$	500,000
Uninsured and collateralized under GUDPA by pledging financial institutions		<u>5,726,496</u>
	\$	<u><u>6,226,496</u></u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2023, the District had 4,585,518 on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited additional funds of \$875,000 into their Capital Reserve Account by Board Resolution in June 2023.

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

Beginning Balance July 1, 2022	\$	802,841
Added by Resolution		875,000
Interest Earnings		4,014
Ending Balance June 30, 2023	\$	<u><u>1,681,855</u></u>

The June 30, 2023 balance in the Capital Reserve Account is within the maximum balance per the districts' LRFP. There was no withdrawal from the account during the school year ended June 30, 2023.

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

NOTE 5. TAX ABATEMENT

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

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

NOTE 6. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility.

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

Beginning Balance July 1, 2022	\$	725,070
Add:		
Interest Added		3,625
Ending Balance June 30, 2023	\$	728,695

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

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,810	
Special Revenue Fund		
Enterprise Fund		3,810
Internal Service Fund		
Total	\$ 3,810	\$ 3,810

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

NOTE 8. CAPITAL ASSETS

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

	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Work in Progress	101,912	119,000	(101,912)	119,000
Total capital assets not being depreciated	<u>298,343</u>	<u>119,000</u>	<u>(101,912)</u>	<u>315,431</u>
Capital Assets Being Depreciated and Amortized				
Land improvements	2,996,267			2,996,267
Building and building improvements	32,209,343	920,587	101,912	33,231,842
Buses	4,072,998	365,000		4,437,998
Furniture and equipment	8,127,385	108,970		8,236,355
Right-to-Use Lease Assets	552,649	330,767		883,416
Totals at historical cost	<u>47,958,642</u>	<u>1,725,324</u>	<u>101,912</u>	<u>49,785,878</u>
Less accumulated depreciation and Amortization				
Land improvements	(2,189,649)	(62,455)		(2,252,104)
Building and improvements	(19,813,250)	(1,105,451)		(20,918,701)
Buses	(3,180,715)	(312,229)		(3,492,944)
Furniture and Equipment	(7,458,745)	(113,967)		(7,572,712)
Right-to-Use Lease Assets	(442,119)	(143,607)		(585,726)
Total accumulated depreciation and Amortization	<u>(33,084,478)</u>	<u>(1,737,709)</u>		<u>(34,822,187)</u>
Total capital assets being depreciated and amortized, net of accumulated depreciation and amortization	<u>14,874,164</u>	<u>(12,385)</u>		<u>14,963,691</u>
Government activities capital assets, net	<u>\$ 15,172,507</u>	<u>\$ 106,615</u>	<u>\$</u>	<u>\$ 15,279,122</u>
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 394,632	\$ 76,501	\$	\$ 471,133
Less accumulated depreciation for :				
Equipment	(259,097)	(16,507)		(275,604)
Business-type activities capital assets, net	<u>\$ 135,535</u>	<u>\$ 59,994</u>	<u>\$</u>	<u>\$ 195,529</u>

* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 20,235
Administration	11,192
Unallocated Depreciation	1,706,282
Total depreciation expense	<u>\$ 1,737,709</u>

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

NOTE 9. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2023 was as follows:

	Beginning Balance 7/1/22	Additions	Reductions	Ending Balance 6/30/23	Amounts	
					Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 2,185,000	\$	\$ (700,000)	\$ 1,485,000	\$ 735,000	\$ 750,000
Total Bonds Payable	2,185,000		(700,000)	1,485,000	735,000	750,000
Other Liabilities:						
Obligations under capital lease	2,837,967	365,000	(497,154)	2,705,813	657,000	2,048,813
Compensated absences payable	703,781		(1,723)	702,058	92,360	609,698
Net Pension Liability	3,388,728	950,195		4,338,923		4,338,923
Right-to-Use Lease Liability	117,180	330,767	(139,493)	308,454	61,832	246,622
Total Other Liabilities	7,047,656	1,645,962	(638,370)	8,055,248	811,192	7,244,056
Business-Type Activities:						
Compensated absences payable	\$	\$	\$	\$	\$	\$
Total Long-term Obligations	\$ 9,232,656	\$ 1,645,962	\$ (1,338,370)	\$ 9,540,248	\$ 1,546,192	\$ 7,994,056

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

A. Bonds Payable

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$1,805,000 - 2013 refunding school bonds, interest at 3.00% due in annual installments ending on March 1, 2025.	\$ 475,000
\$2,580,000 - 2020 refunding school bonds, interest at 1.383%, due in annual installments ending January 15, 2027	1,010,000
Total	<u>\$1,485,000</u>

As a K-12 District, the general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$27,913,655. General obligation debt at June 30, 2022 is \$1,485,000, resulting in a remaining available legal debt margin of \$26,428,655.

B. Serial Bonds Payable- Principal and interest due on bonds outstanding is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 735,000	\$ 28,218	\$ 763,218
2025	405,000	14,253	419,253
2026	170,000	4,771	174,771
2027	175,000	2,420	177,420
	<u>\$ 1,485,000</u>	<u>\$ 49,662</u>	<u>\$ 1,534,662</u>

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

NOTE 9. LONG-TERM OBLIGATIONS (CONT'D)

Subsequent to June 30, 2023, an additional Bond Issue is planned for sale in December of 2023, in the amount of \$14,650,000. Planned Principal due on these bonds is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 800,000	\$	800,000
2025	800,000		800,000
2026	800,000		800,000
2027	550,000		550,000
2028	575,000		575,000
2029	600,000		600,000
2030	625,000		625,000
2031	650,000		650,000
2032	675,000		675,000
2033	700,000		700,000
2034	725,000		725,000
2035	750,000		750,000
2036	800,000		800,000
2037	800,000		800,000
2038	800,000		800,000
2039	800,000		800,000
2040	800,000		800,000
2041	800,000		800,000
2042	800,000		800,000
2043	800,000		800,000
	<u>\$ 14,650,000</u>	<u>\$</u>	<u>14,650,000</u>

C. Capital Leases - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof, a Tractor with a Loader and various other items under capital leases. The district issued \$365,000 in a new capital lease during the 2022-23 school-year for three School Buses. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments for capital leases at June 30, 2023:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 325,009	\$ 85,916	\$ 410,925
2025	284,272	76,880	361,152
2026	223,222	68,859	292,081
2027	186,204	62,112	248,316
2028	117,815	55,674	173,489
2029	125,580	51,787	177,367
2030	133,689	47,642	181,331
2031	142,155	43,231	185,386
2032	150,992	38,540	189,532
2033	160,213	33,557	193,770
2034	102,027	28,270	130,297
2035	108,335	24,903	133,238
2036	114,917	21,328	136,245
2037	121,787	17,536	139,323
2038	128,952	13,517	142,469
2039	136,425	9,261	145,686
2040	144,219	4,758	148,977
	<u>\$ 2,705,813</u>	<u>\$ 683,771</u>	<u>\$ 3,389,584</u>

Subsequent to June 30, 2023, the District issued an additional Capital Lease in the amount of \$657,000 for the acquisition of four 54 passenger school buses, of which the total future principal and interest payments are included in the following schedule.

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

NOTE 9. LONG-TERM OBLIGATIONS (CONT'D)

C. Capital Leases (Cont'd):

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 467,057	\$ 86,535	\$ 553,592
2025	405,106	98,714	503,820
2026	349,179	85,570	434,749
2027	317,502	73,482	390,984
2028	254,679	61,478	316,157
2029	125,580	51,787	177,367
2030	133,689	47,642	181,331
2031	142,155	43,231	185,386
2032	150,992	38,540	189,532
2033	160,213	33,557	193,770
2034	102,027	28,270	130,297
2035	108,335	24,903	133,238
2036	114,917	21,328	136,245
2037	121,787	17,536	139,323
2038	128,952	13,517	142,469
2039	136,425	9,261	145,686
2040	144,218	4,759	148,977
	<u>\$ 3,362,813</u>	<u>\$ 740,110</u>	<u>\$ 4,102,923</u>

D. Bonds Authorized but Not Issued - As of June 30, 2023 the District had no authorized but not issued bonds, except for indicated above.

NOTE 10. PENSION PLANS

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

Public Employees' Retirement System

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

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

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

NOTE 10. PENSION PLANS (CONT'D)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$162,455. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$362,564 and \$331,468 respectively.

The total payroll for the year ended June 30, 2023 was \$17,851,919. Payroll covered by PERS was \$2,166,056 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$4,338,923. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.028751% which was an increase of 0.00045% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(636,928). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,316	\$ 27,617
Changes of assumptions	13,443	649,709
Net difference between projected and actual earnings on pension plan investments	179,584	
Changes in proportion	68,217	534,126
Contributions subsequent to the measurement date	362,564	
Total	\$ 655,124	\$ 1,211,452

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

NOTE 10. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

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

Year		PERS
2023	\$	(493,478)
2024		(327,734)
2025		(216,262)
2026		118,172
2027		410
Thereafter		
Total	\$	(918,892)

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

Year		2023		2022
Collective deferred outflows of resources	\$	655,124	\$	401,811
Collective deferred inflows of resources	\$	1,211,452	\$	2,975,779
Collective Net Pension Liability	\$	4,338,923	\$	3,352,985
District's Proportion		0.028751%		0.028304%

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

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

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

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

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

NOTE 10. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

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

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 5,621,453	\$ 4,338,923	\$ 3,315,457

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

NOTE 10. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

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

NOTE 10. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

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

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$4,530,569 to the TPAF for pension contributions, \$1,190,170 for post-retirement benefits on behalf of the School, and \$1,737 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$970,063 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$1,561,425 and revenue of \$1,561,425 for support provided by the State.

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

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

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

NOTE 10. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

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

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 68,135,622	\$ 58,017,949	\$ 49,665,320
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

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

NOTE 10. PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$33,520 and the District's employer contribution, recognized in pension expense, was \$18,284. There were no forfeitures during the fiscal year.

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

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

General Information about the OPEB Plan

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS),

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (Continued)

the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$70,792,628. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.13978%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

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

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total Nonemployer OPEB Liability (Continued)

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

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

Health Care Trend Assumptions

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

Discount rate

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

Changes in the Total OPEB Liability

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

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

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

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

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

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

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

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$1,390,137. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 12,410,868	\$ (21,223,190)
Changes of Assumptions	12,031,079	(23,658,504)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	7,330,225	(7,879,848)
Contributions Subsequent to the Measurement Date		
Total	\$ 31,772,172	\$ (52,761,542)

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

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

Measurement Period Ending June 30,		OPEB
2023	\$	9,303,967
2024		9,303,967
2025		9,303,967
2026		9,759,497
2027		11,127,921
Thereafter		35,734,396
Total	\$	84,533,715

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2023 were:

Copeland
Lincoln
ING.

NOTE 13. COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve month are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School district employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward by certain employees. Benefits paid in any future year will be calculated according to formulas outlined in the school districts' agreements with the various employee unions and included in the current year's budget. The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, the estimated liability for compensated absences in the Governmental Activities was \$702,058 of which \$92,360 is due within one year.

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

NOTE 14. TAX ANTICIPATION LOAN

As a result of the delay in the last two state aid revenue receipts a loan may be taken out in an amount needed for working capital and paid off in July of the subsequent year. No loans were issued during the 2022-23 school-year.

NOTE 15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district has chosen to purchase insurance to transfer risk to outside parties.

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District is required to pay the New Jersey Unemployment Trust Fund based on a percentage of wages up to the statutory limit. The amount computed is payable on a quarterly basis.

The following is a summary of District contributions, employee contributions, payments to the State and the ending balance of the District's expendable trust fund for the current and prior years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 0	\$ 111,541	\$ 111,541	\$ 0
2021-2022	0	97,094	97,094	0
2020-2021	0	92,256	92,256	0

NOTE 16. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 17. RECEIVABLES

Receivables at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Governmental	\$ 1,757,642	\$ 1,300,111	\$ 71,674	\$ 19,731	\$ 3,149,158
Other	4,445	26,027	5,239	7,899	43,610
Totals	\$ 1,762,087	\$ 1,326,138	\$ 76,913	\$ 27,630	\$ 3,192,768

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

NOTE 18. FUND BALANCE APPROPRIATED

General Fund - Of the \$4,730,611 General Fund balance at June 30, 2023, \$406,221 is assigned for encumbrances; \$2,424,819 is restricted as excess surplus in accordance with *N.J.S.A. 118A:7F-7*, of which \$676,615 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2024; \$1,681,855 has been restricted in the Capital Reserve Account, of which \$0 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2024; \$728,695 has been restricted in the Maintenance Reserve Account; \$87,256 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2024 and the net result is a (\$598,235) in negative unassigned and unrestricted fund balance.

Debt Service Fund At June 30, 2023, there was no Debt Service fund balance.

NOTE 19. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$2,424,819, of which \$676,615 was assigned for utilization in the 2023-2024 budget and \$1,748,204 will be utilized in the 2024-2025 budget.

NOTE 20. DEFICIT FUND BALANCES

The unassigned deficit in the General Fund and the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of (\$598,235) is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of (\$232,631) is equal to the last two state aid payments.

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

NOTE 21. OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

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

NOTE 21. OPERATING LEASES (CONT'D)

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 74,571
2025	74,571
2026	74,571
2027	74,571
2028	37,285
Total	<u>\$ 335,569</u>

NOTE 22. SUBSEQUENT EVENTS

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

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,749,029	\$	\$ 13,749,029	\$ 13,749,029	\$
Tuition - Other LEA's	98,220		98,220	205,684	107,464
Interest Earned on Deposits				66,360	66,360
Interest Earned on Maintenance Reserve Funds	50		50	3,625	3,575
Interest Earned on Capital Reserve Funds	50		50	4,014	3,964
Unrestricted Miscellaneous Revenues	45,000		45,000	135,409	90,409
Total Local Sources	<u>13,892,349</u>		<u>13,892,349</u>	<u>14,164,121</u>	<u>271,772</u>
State Sources:					
Equalization Aid	12,996,522		12,996,522	12,996,522	
Categorical Transportation Aid	838,537		838,537	838,537	
Special Education Categorical Aid	1,275,692		1,275,692	1,275,692	
Categorical Security Aid	343,038		343,038	343,038	
School Choice Aid	1,489,995		1,489,995	1,489,995	
Other State Aids:					
Non-Public Transportation Aid				22,862	22,862
Extraordinary Aid				408,323	408,323
Secure Child Future Act (Alyssa's Law)				91,847	91,847
Lead Testing				3,078	3,078
TPAF Pension (On-Behalf - Non-Budgeted)				4,530,569	4,530,569
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,190,170	1,190,170
TPAF Long-term Disability Contrib. (On-behalf)				1,737	1,737
TPAF Social Security (Reimbursed - Non-Budgeted)				970,063	970,063
Total State Sources	<u>16,943,784</u>		<u>16,943,784</u>	<u>24,162,433</u>	<u>7,218,649</u>
Federal Sources:					
Medicaid Program - SEMI	35,892		35,892	25,111	(10,781)
Total Federal Sources	<u>35,892</u>		<u>35,892</u>	<u>25,111</u>	<u>(10,781)</u>
Total Revenues	<u>\$ 30,872,025</u>	<u>\$</u>	<u>\$ 30,872,025</u>	<u>\$ 38,351,665</u>	<u>\$ 7,479,640</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 369,910	\$ 3,326	\$ 373,236	\$ 370,222	\$ 3,014
Grades 1-5 - Salaries of Teachers	2,354,175	69,911	2,424,086	2,422,981	1,105
Grades 6-8 - Salaries of Teachers	1,565,076	(2,049)	1,563,027	1,560,080	2,947
Grades 9-12 - Salaries of Teachers	2,405,855	3,342	2,409,197	2,402,865	6,332
Regular Programs - Home Instruction:					
Salaries of Teachers	13,695	8,727	22,422	19,479	2,943
Purchased Professional-Educational Services	66,000	(49,331)	16,669	5,018	11,651
Other Purchased Services (400-500 series)	1,000		1,000	487	513
General Supplies	250		250	106	144
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	286,772	82,629	369,401	369,076	325
Purchased Technical Services	58,724	(33,379)	25,345	25,345	
Other Purchased Services (400-500 series)	146,013	(41,868)	104,145	86,843	17,302
General Supplies	433,063	7,128	440,191	401,771	38,420
Textbooks	36,400	(10,282)	26,118	26,117	1
Other Objects	1,600		1,600	669	931
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>7,738,533</u>	<u>38,154</u>	<u>7,776,687</u>	<u>7,691,059</u>	<u>85,628</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	\$ 121,270	\$ 61,988	\$ 183,258	\$ 182,847	\$ 411
Purchased Professional-Educational Services	31,791	(8,357)	23,434	23,431	3
Other Purchased Services	600	(300)	300	210	90
General Supplies	1,300		1,300	1,266	34
Other Objects		300	300	290	10
Total Behavioral Disabilities	154,961	53,631	208,592	208,044	548
Multiple Disabilities:					
Salaries of Teachers	335,981	(41,713)	294,268	285,844	8,424
Purchased Professional Educational Services	107,084	(32,098)	74,986	40,680	34,306
Other Purchased Services	3,000	197	3,197	2,266	931
General Supplies	5,400	(96)	5,304	4,528	776
Total Multiple Disabilities	451,465	(73,710)	377,755	333,318	44,437
Resource Room/Resource Center:					
Salaries of Teachers	1,732,715	(31,115)	1,701,600	1,667,778	33,822
Purchased Professional-Educational Services	342,824	(6,980)	335,844	330,389	5,455
General Supplies	7,000	(1,017)	5,983	5,630	353
Other Objects	2,400	100	2,500	2,220	280
Total Resource Room/Resource Center	2,084,939	(39,012)	2,045,927	2,006,017	39,910
Preschool Disabilities - Part-Time:					
Salaries of Teachers					
Total Preschool Disabilities - Part-Time					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	59,865	531	60,396	60,396	
Purchased Professional-Educational Services	26,769	16,353	43,122	43,122	
Other Purchased Services	600		600		600
General Supplies	2,500	1,072	3,572	2,763	809
Total Preschool Disabilities - Full-Time	89,734	17,956	107,690	106,281	1,409
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,781,099	(41,135)	2,739,964	2,653,660	86,304
Bilingual Education - Instruction:					
Salaries of Teachers					
Total Bilingual Education - Instruction					
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
School-Spon. Co curricular Actvts. - Inst.					
Salaries	82,500	(1,000)	81,500	74,004	7,496
Purchased Services (300-500 series)	2,300	1,613	3,913	1,574	2,339
Supplies and Materials	4,386	(1,138)	3,248	1,214	2,034
Total School-Spon. Co-curricular Actvts. - Inst.	89,186	(525)	88,661	76,792	11,869
School-Spon. Co-curricular Athletics - Inst.					
Salaries	297,863	(9,000)	288,863	269,953	18,910
Purchased Services (300-500 series)	82,980	(398)	82,582	79,281	3,301
Supplies and Materials	43,010	17,540	60,550	47,380	13,170
Total School-Spon. Co-curricular Athletics - Inst.	423,853	8,142	431,995	396,614	35,381
TOTAL INSTRUCTION	11,032,671	4,636	11,037,307	10,818,125	219,182
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	30,256		30,256	17,537	12,719
Tuition - County Voc School Districts - Regular	212,500		212,500	201,630	10,870
Tuition to CSSD & Regional Day Schools	716,928	(22,135)	694,793	614,122	80,671
Tuition to Private Schools for the Disabled - Within State	426,615	141,015	567,630	541,997	25,633
Tuition - State Facilities	40,270		40,270	40,270	
Total Undistributed Expenditures - Instruction:	1,426,569	118,880	1,545,449	1,415,556	129,893

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	\$	\$	\$	\$	\$
Other Purchased Services					
Total Undistributed Expend. - Attend. & Social Work					
Undist. Expend. - Health Services					
Salaries	293,116	(11,135)	281,981	280,400	1,581
Purchased Professional and Technical Services	17,300	4,955	22,255	22,137	118
Other Purchased Services (400-500 series)	1,375	819	2,194	1,798	396
Supplies and Materials	33,800	(2,591)	31,209	30,839	370
Other Objects	400	(68)	332	332	
Total Undistributed Expenditures - Health Services	345,991	(8,020)	337,971	335,506	2,465
Undist. Expend. - Speech, OT, PT and Related Serv.					
Salaries	338,973	(21,723)	317,250	317,248	2
Purchased Professional - Educational Services	110,500	(2,762)	107,738	107,738	
Supplies and Materials	4,500	(1,020)	3,480	3,329	151
Other Objects	1,000	(892)	108	108	
Total Undist. Exp. Speech, OT, PT and Related Serv.	454,973	(26,397)	428,576	428,423	153
Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.					
Purchased Professional - Educational Services	642,270	128,133	770,403	770,401	2
Supplies and Materials	3,200	(892)	2,308	2,308	
Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.	645,470	127,241	772,711	772,709	2
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	594,456	52,132	646,588	484,424	162,164
Salaries of Secretarial and Clerical Assistants	129,310	11	129,321	129,320	1
Purchased Professional - Educational Services	500	50	550	375	175
Other Purchased Prof. and Tech. Services	7,995	(2,397)	5,598	5,556	42
Other purchased Services (400-500 series)	13,400	(8,256)	5,144	5,051	93
Supplies and Materials	7,850	4,929	12,779	11,642	1,137
Total Undist. Expend.- Guidance	753,511	46,469	799,980	636,368	163,612
Undistributed Expend. - Child Study Teams					
Salaries of Other Professional Staff	512,582	33,323	545,905	545,902	3
Salaries of Secretarial and Clerical Assistants	49,948	(8,708)	41,240	41,219	21
Other Purchased Prof. and Tech. Services	33,331	12,241	45,572	45,569	3
Other Purchased Services (400-500 series)	15,000	(1,375)	13,625	10,660	2,965
Supplies and Materials	15,000	1,482	16,482	15,810	672
Other Objects	3,045	(66)	2,979	2,977	2
Total Undist. Expend.- Child Study Teams	628,906	36,897	665,803	662,137	3,666
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	110,257	(10,257)	100,000	86,027	13,973
Salaries of Other Professional Staff	262,813	13,707	276,520	260,859	15,661
Salaries of Secretarial and Clerical Assist.	48,103	149	48,252	48,251	1
Other Salaries	51,711	(14,023)	37,688	30,136	7,552
Purchased Prof - Educational Services	2,500		2,500	749	1,751
Other Purchased Professional and Technical Services	24,000		24,000	22,660	1,340
Other Purch Services (400-500)	3,500	(1,500)	2,000	636	1,364
Supplies and Materials	5,000		5,000	2,900	2,100
Other Objects	5,500		5,500	5,254	246
Total Undist. Expend. - Improvement of Inst. Serv.	513,384	(11,924)	501,460	457,472	43,988
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	179,216	8,952	188,168	188,111	57
Purchased Professional and Technical Services	10,000	(1,123)	8,877	8,145	732
Other Purchased Services (400-500 series)	47,933	4,026	51,959	51,055	904
Supplies and Materials	15,700	(1,716)	13,984	13,171	813
Total Undist. Expend. - Edu. Media Serv./Sch. Library	252,849	10,139	262,988	260,482	2,506
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	12,600	(4,543)	8,057	780	7,277
Other Purchased Professional - Technical Services		150	150	120	30
Other Purchased Services (400-500 series)	3,200	(1,550)	1,650	1,001	649
Supplied and Materials		11,267	11,267	11,267	
Total Undist. Expend. - Instructional Staff Training Serv.	15,800	5,324	21,124	13,168	7,956

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 282,172	\$ 11,000	\$ 293,172	\$ 273,843	\$ 19,329
Legal Services	80,000	(10,400)	69,600	65,400	4,200
Audit Fees	29,800	5,400	35,200	35,039	161
Architectural/Engineering Services	10,000	(6,000)	4,000	4,000	4,000
Communications/Telephone	82,456	(1,999)	80,457	54,770	25,687
BOE Other Purchased Services	11,000		11,000	4,249	6,751
Miscellaneous Purchased Services (400-500 series)	97,439	399	97,838	73,985	23,853
General Supplies	11,000	9,945	20,945	19,128	1,817
BOE In-House Training/Meeting Supplies	2,500	999	3,499	2,775	724
Miscellaneous Expenditures	6,505	(2,500)	4,005	3,051	954
BOE Membership Dues and Fees	11,800		11,800	11,311	489
Total Undist. Expend. - Supp. Serv. - General Admin.	624,672	6,844	631,516	543,551	87,965
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	657,795	18,001	675,796	653,686	22,110
Salaries of Secretarial and Clerical Assistants	284,451	724	285,175	280,289	4,886
Other Purchased Services (400-500 series)	1,000	(1,000)			
Purchased Professional and Technical Services	10,500	(4,844)	5,656	5,531	125
Supplies and Materials	19,400	192	19,592	15,208	4,384
Other Objects	9,200	(134)	9,066	7,024	2,042
Total Undist. Expend. - Support Serv. - School Admin.	982,346	12,939	995,285	961,738	33,547
Undist. Expend. - Central Services					
Salaries	336,407	7,992	344,399	342,029	2,370
Purchased Professional Services	2,100		2,100	1,100	1,000
Miscellaneous Purchased Services (400-500 series)	18,700	(2,300)	16,400	14,794	1,606
Supplies and Materials	8,000	2,008	10,008	10,007	1
Miscellaneous Expenditures	2,290		2,290	1,590	700
Total Undist. Expend. - Central Services	367,497	7,700	375,197	369,520	5,677
Undist. Expend. - Admin. Info. Technology					
Salaries	286,397	(19,112)	267,285	265,146	2,139
Purchased Technical Services	55,952	2,852	58,804	58,784	20
Other Purchased Services (400-500 series)	22,850	10,664	33,514	31,529	1,985
Supplies and Materials	14,460	7,270	21,730	20,731	999
Total Undist. Expend. - Admin. Info. Technology	379,659	1,674	381,333	376,190	5,143
Undist. Expend. - Req. Maint. for School Facilities					
Salaries	365,149	8,669	373,818	373,350	468
Cleaning, Repair, and Maintenance Services	368,782	191,265	560,047	427,366	132,681
Lead Testing of Drinking Water	500	(500)			
General Supplies	89,000	10,022	99,022	61,016	38,006
Total Undist. Expend. - Req. Maint. for School Facilities	823,431	209,456	1,032,887	861,732	171,155
Undist. Expend. - Custodial Services					
Salaries	60,000	13,810	73,810	73,787	23
Purchased Professional and Technical Services	150,000	7,020	157,020	156,689	331
Cleaning, Repair and Maintenance Services	950,504	(28,350)	922,154	921,856	298
Rental of Land, Building & Other than Lease Purchases	62,000		62,000	62,000	
Lease Purchase Pymts - Energy Savings Impr Prog	171,532		171,532	171,531	1
Other Purchased Property Services	28,952	(5,000)	23,952	15,596	8,356
Insurance	99,838		99,838	99,552	286
Miscellaneous Purchased Services	5,000		5,000	3,691	1,309
General Supplies	25,000	(5,000)	20,000	17,850	2,150
Energy (Natural Gas)	183,699	(36,000)	147,699	140,163	7,536
Energy (Electricity)	495,726	(54,787)	440,939	432,875	8,064
Energy (Gasoline)		3,000	3,000	1,070	1,930
Other Objects	2,200		2,200	1,397	803
Total Undist. Expend. - Custodial Services	2,234,451	(105,307)	2,129,144	2,098,057	31,087

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Undist. Expend. - Care and Upkeep of Grounds					
Purchased Professional and Technical Services	\$	\$ 49,713	\$ 49,713	\$ 49,713	\$
Cleaning, Repair and Maintenance Services	146,900	15,727	162,627	152,282	10,345
General Supplies	19,000	14,000	33,000	27,240	5,760
Total Undist. Expend. - Care and Upkeep of Grounds	<u>165,900</u>	<u>79,440</u>	<u>245,340</u>	<u>229,235</u>	<u>16,105</u>
Undist. Expend. - Security					
Salaries	7,000	(1,482)	5,518	5,517	1
Purchased Professional and Technical Services	261,250	(32,538)	228,712	224,949	3,763
Cleaning, Repair and Maintenance Services	3,900	20,491	24,391	14	24,377
General Supplies	1,500	19,907	21,407	20,762	645
Total Undist. Expend. - Security	<u>273,650</u>	<u>6,378</u>	<u>280,028</u>	<u>251,242</u>	<u>28,786</u>
Total Undist. Expend. - Oper. & Maint. Of Plant	<u>3,497,432</u>	<u>189,967</u>	<u>3,687,399</u>	<u>3,440,266</u>	<u>247,133</u>
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	855,392	59,027	914,419	897,507	16,912
Sal. For Pup.Trans. (Bet. Home and School) - Special	368,134	(55,953)	312,181	294,539	17,642
Sal. For Pup. Trans. (Other than Bet. Home and School)	95,209		95,209	79,970	15,239
Management Fee - ESC & CTSA Transportation Programs	485		485	377	108
Other Purchased Professional and Technical Services		24,386	24,386	21,068	3,318
Cleaning, Repair, and Maintenance Services	24,386	(17,786)	6,600	6,197	403
Lease Purchase Payments - School Buses	430,273	99,217	529,490	525,695	3,795
Contr Serv. - Aid in Lieu Payments - Nonpublic	78,000	(12,000)	66,000	64,215	1,785
Contr Serv. - Aid in Lieu Payments - Charter	5,000	(3,000)	2,000	2,000	2,000
Contr Serv. - Aid in Lieu Payments - Choice Schools		15,000	15,000	14,286	714
Contr Serv (not Home/School) - Vendors	5,000	(1,000)	4,000		4,000
Contr Serv (Regular Students) - ESCs and CTSA'S	110,000	(15,000)	95,000	86,882	8,118
Contr Serv (Spl. Ed. Students) - ESCs and CTSA's	150,000	(83,224)	66,776	36,223	30,553
Misc. Purchased Serv. - Transportation	82,746	(15,000)	67,746	35,536	32,210
General Supplies	12,375	1,000	13,375	12,463	912
Transportation Supplies	599,400	11,500	610,900	557,844	53,056
Other Objects	4,050		4,050	2,492	1,558
Total Undist. Expend. - Student Transportation Serv.	<u>2,820,450</u>	<u>7,167</u>	<u>2,827,617</u>	<u>2,635,294</u>	<u>192,323</u>
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	337,496	(37,875)	299,621	299,611	10
Other Retirement Contributions - PERS	368,956	20,541	389,497	387,246	2,251
Unemployment Compensation	67,067		67,067	65,291	1,776
Workmen's Compensation	147,796	(2,666)	145,130	139,593	5,537
Health Benefits	4,291,536	(204,681)	4,086,855	4,050,144	36,711
Tuition Reimbursement	40,000	(15,000)	25,000	23,389	1,611
Other Employee Benefits	336,390	15,000	351,390	320,732	30,658
TOTAL UNALLOCATED BENEFITS	<u>5,589,241</u>	<u>(224,681)</u>	<u>5,364,560</u>	<u>5,286,006</u>	<u>78,554</u>
On-behalf TPAF Pension Contributions (non-budgeted)				4,530,569	(4,530,569)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				1,190,170	(1,190,170)
On-behalf TPAF Long-term Disability Contrib.				1,737	(1,737)
Reimbursed TPAF Social Security Cont. (non-budgeted)				970,063	(970,063)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>6,692,539</u>	<u>(6,692,539)</u>
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	<u>5,589,241</u>	<u>(224,681)</u>	<u>5,364,560</u>	<u>11,978,545</u>	<u>(6,613,985)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>19,298,750</u>	<u>300,219</u>	<u>19,598,969</u>	<u>25,286,925</u>	<u>(5,687,956)</u>
Interest Earned on Maintenance Reserve	50		50		50
TOTAL GENERAL CURRENT EXPENSE	<u>30,331,471</u>	<u>304,855</u>	<u>30,636,326</u>	<u>36,105,050</u>	<u>(5,468,724)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Grades 1-5	12,000		12,000		12,000
Grades 9-12	25,308	(3,600)	21,708	21,708	
Support Services - Instruction		4,370	4,370	4,370	
Admin Info Tech	11,492	(1,891)	9,601	9,601	
Undist. Expend- Required Maint. For Sch		60,932	60,932	43,932	17,000
Undist. Expend- Care and Upkeep of Gro	19,730	25,000	44,730	43,441	1,289
Undist Expend - Security		51,950	51,950	50,256	1,694
Undist Expend - Student Transportation - Non- Instruction		23,476	23,476	19,976	3,500
Total Equipment	<u>68,530</u>	<u>160,237</u>	<u>228,767</u>	<u>193,284</u>	<u>35,483</u>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 79,135	\$ 38,034	\$ 117,169	\$ 108,656	\$ 8,513
Construction Services	1,251,967	(80,100)	1,171,867	846,617	325,250
Assessment for Debt Service on SDA Funding	53,260		53,260	53,260	
Total Facilities Acquisition and Construction Services	<u>1,384,362</u>	<u>(42,066)</u>	<u>1,342,296</u>	<u>1,008,533</u>	<u>333,763</u>
Interest Deposit to Capital reserve	50		50		50
Assets Acquired Under Capital Leases (non-budgeted)				365,000	(365,000)
TOTAL CAPITAL OUTLAY	<u>1,452,942</u>	<u>118,171</u>	<u>1,571,113</u>	<u>1,566,817</u>	<u>4,296</u>
TOTAL EXPENDITURES	<u>31,784,413</u>	<u>423,026</u>	<u>32,207,439</u>	<u>37,671,867</u>	<u>(5,464,428)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(912,388)</u>	<u>(423,026)</u>	<u>(1,335,414)</u>	<u>679,798</u>	<u>2,015,212</u>
Other Financing Sources:					
Operating Transfer (Out) and In:					
Transfer of Funds to Charter School	(438,797)	43,880	(394,917)	(214,058)	180,859
Less Lease Principal				365,000	365,000
Transfer to Preschool Program	(153,621)		(153,621)	(153,621)	
Total Other Financing Sources:	<u>(592,418)</u>	<u>43,880</u>	<u>(548,538)</u>	<u>(2,679)</u>	<u>545,859</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,504,806)</u>	<u>(379,146)</u>	<u>(1,883,952)</u>	<u>677,119</u>	<u>2,561,071</u>
Fund Balance, July 1	5,698,271		5,698,271	5,698,271	
Fund Balance, June 30	<u>\$ 4,193,465</u>	<u>\$ (379,146)</u>	<u>\$ 3,814,319</u>	<u>\$ 6,375,390</u>	<u>\$ 2,561,071</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,681,855	
Maintenance Reserve				728,695	
Excess Surplus				1,748,204	
Excess Surplus - Designated for Subsequent Year's Expenditures				676,615	
Assigned Fund Balance:					
Encumbrances				406,221	
Designated for Subsequent Year's Expenditures				87,256	
Unassigned Fund Balance				<u>1,046,544</u>	
				6,375,390	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,644,779)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,730,611</u>	

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 2,540,996	\$ 111,956	\$ 2,652,952	\$ 2,574,483	\$ 78,469
Federal Sources	3,268,600	1,332,950	4,601,550	2,177,612	2,423,938
Local Sources	330,000	(330,000)		375,803	(375,803)
Total Revenues	6,139,596	1,114,906	7,254,502	5,127,898	2,126,604
EXPENDITURES:					
Instruction					
Salaries - Teachers	1,467,628	6,919	1,474,547	1,121,586	352,961
Other Salaries		1,281	1,281	1,281	
Purchased Prof - Tech. Services	50,559	7,410	57,969	12,969	45,000
Purchased Prof - Ed Services	263,778	90,000	353,778	294,867	58,911
Other Purchased Services	19,477	215,126	234,603	226,002	8,601
Tuition-Child Study Team	390,390	70,299	460,689	460,689	
Supplies and Materials	594,126	363,880	958,006	605,606	352,400
Other Objects	125,000		125,000	3,791	121,209
Total Instruction	2,910,958	754,915	3,665,873	2,726,791	939,082
Support Services					
Salaries - Personal Services	217,520	69,832	287,352	167,476	119,876
Salaries - Supervisor of Instruction	12,251	(192)	12,059	10,186	1,873
Salaries- Principals/Assistant	133,524	18	133,542	133,500	42
Salaries - Other Prof	94,675	1,769	96,444	96,444	
Salaries - Secretarial and Clerical	49,948	1,977	51,925	51,755	170
Other Salaries		68	68	68	
Salaries- Family Liaison	30,412	(2,714)	27,698	24,299	3,399
Salaries - Master Teacher	48,570	(1,997)	46,573	44,416	2,157
Personal Services - Employee Benefits	389,345	121,859	511,204	506,094	5,110
Purchased Prof. - Tech. Services	98,949	211,231	310,180	174,896	135,284
Purchased Prof. - Ed. Services	555,000	(340,748)	214,252	178,391	35,861
Purchased Professional Services	45,300	(3,200)	42,100	11,566	30,534
Purchased Property Services		17,130	17,130	17,130	
Cleaning and Repair	192,436	141,712	334,148	317,288	16,860
Other Purchased Services	56,577	(19,608)	36,969	8,543	28,426
Contracted Services Transportation	93,284	9,200	102,484	101,961	523
Travel	1,500		1,500		1,500
Supplies and Materials	38,622	44,345	82,967	38,195	44,772
Other Objects	2,100	50	2,150	2,148	2
Total Support Services	2,060,013	250,732	2,310,745	1,884,356	426,389
Facilities Acquisition and Construction Services:					
Equipment:					
Instructional Equipment	16,500	97,133	113,633	76,376	37,257
Non-Instructional Equipment	52,125	7,176	59,301	57,943	1,358
Facilities:					
Facilities - Buildings	1,100,000	4,950	1,104,950	502,485	602,465
Total Facilities Acquisition and Construction Services	1,168,625	109,259	1,277,884	636,804	641,080
Total Expenditures	6,139,596	1,114,906	7,254,502	5,247,951	2,006,551
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows	6,139,596	1,114,906	7,254,502	5,247,951	2,006,551
Excess (Deficiency) of Revenues Over (Under) Expenditures				(120,053)	(120,053)
Transfer from General Fund				153,621	153,621
Fund Balance, July 1				301,400	
Fund Balance, June 30				\$ 334,968	
Recapitulation:					
Restricted:					
Scholarships				\$ 113,379	
Student Activities				221,589	
Total Fund Balance				\$ 334,968	

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

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 38,351,665	[E-1]	\$ 5,127,898
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				111,956
Current Year				(701,542)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,551,304		228,263
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,644,779)		(232,631)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 38,258,190</u>	[B-2]	<u>\$ 4,533,944</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 37,671,867	[E-1]	\$ 5,247,951
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
				(589,586)
Pension Expense recognized for GAAP but not for budgetary purposes.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental fund	[B-2]	<u>\$ 37,671,867</u>	[B-2]	<u>\$ 4,658,365</u>

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

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.028751%	0.028304%	0.030129%	0.031740%	0.033566%	0.035283%	0.037620%	0.040185%	0.043017%	0.043819%
District's Proportionate Share of the Net Pension Liability	\$ 4,338,923	\$ 3,352,985	\$ 4,913,296	\$ 5,719,016	\$ 6,608,933	\$ 8,213,386	\$ 11,141,908	\$ 9,020,774	\$ 8,053,869	\$ 8,374,651
District's Covered-Employee Payroll	\$ 2,166,066	\$ 2,120,723	\$ 2,096,084	\$ 2,121,142	\$ 2,174,501	\$ 2,213,805	\$ 2,297,573	\$ 2,501,427	\$ 2,539,163	\$ 2,841,895
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	200.31%	158.11%	234.40%	269.62%	303.93%	371.01%	484.94%	360.63%	317.19%	294.69%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 362,564	\$ 331,468	\$ 329,599	\$ 309,817	\$ 335,146	\$ 330,384	\$ 335,357	\$ 345,485	\$ 354,622	\$ 330,166
Contributions in relation to the Contractually Required Contribution	(362,564)	(331,468)	(329,599)	(309,817)	(335,146)	(330,384)	(335,357)	(345,485)	(354,622)	(330,166)
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
District's Covered-Employee Payroll	\$ 2,166,056	\$ 2,120,723	\$ 2,096,084	\$ 2,121,142	\$ 2,174,501	\$ 2,213,805	\$ 2,297,573	\$ 2,501,427	\$ 2,539,163	\$ 2,841,895
Contributions as a Percentage of Covered-Employee Payroll	16.74%	15.63%	15.72%	14.61%	15.41%	14.92%	14.60%	13.81%	13.97%	11.62%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.112450%	0.114587%	0.118331%	0.112698%	0.114723%	0.111253%	0.112680%	0.112808%	0.110844%	0.113169%
District's Proportionate Share of the Net Pension Liability	\$ 58,017,949	\$ 55,087,829	\$ 77,919,257	\$ 69,164,077	\$ 72,984,486	\$ 75,010,900	\$ 88,641,213	\$ 71,299,551	\$ 59,242,417	\$ 57,194,838
District's Covered-Employee Payroll	\$ 13,300,827	\$ 12,658,572	\$ 12,599,581	\$ 12,621,740	\$ 12,434,836	\$ 12,023,886	\$ 11,580,796	\$ 11,801,637	\$ 11,402,837	\$ 11,464,831
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	436.20%	435.18%	618.43%	547.98%	586.94%	623.85%	765.42%	604.15%	519.54%	498.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service Cost	\$ 3,193,868	\$ 3,870,343	\$ 2,228,539	\$ 2,043,552	\$ 2,365,626	\$ 2,859,605
Interest Cost	1,876,083	2,123,833	2,103,841	2,592,084	2,809,947	2,375,081
Changes of Benefit Terms		(87,142)				
Differences Between Expected and Actual Experiences	4,640,625	(16,509,735)	15,426,122	(10,895,763)	(7,091,464)	
Changes of Assumptions	(18,990,757)	80,773	17,172,786	874,744	(7,550,975)	(9,932,378)
Member Contributions	59,615	54,297	49,607	53,384	60,811	63,913
Gross Benefit Payments	(1,858,316)	(1,672,986)	(1,636,674)	(1,800,930)	(1,759,491)	(1,735,702)
Net Change in Total OPEB Liability	<u>(11,078,882)</u>	<u>(12,140,617)</u>	<u>35,344,221</u>	<u>(7,132,929)</u>	<u>(9,136,280)</u>	<u>(6,369,481)</u>
Total OPEB Liability - Beginning	81,871,510	94,012,127	58,667,906	65,800,835	74,937,115	81,306,596
Total OPEB Liability - Ending	<u>\$ 70,792,628</u>	<u>\$ 81,871,510</u>	<u>\$ 94,012,127</u>	<u>\$ 58,667,906</u>	<u>\$ 65,800,835</u>	<u>\$ 74,937,115</u>
Covered-Employee Payroll	\$ 15,466,883	\$ 14,779,295	\$ 14,695,665	\$ 14,742,882	\$ 14,609,337	\$ 14,237,691
Total OPEB Liability as a Percentage of Covered-Employee Payroll	457.70%	553.96%	639.73%	397.94%	450.40%	526.33%

Notes to Schedule:

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

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

	YSC Anti-Gang	YSC Mentoring	YSC Pride	NJSB Safety Grant	LEAP	Emergent Needs Cap Maint.	Scholarship Fund	Student Activity Fund	Sub-Total Per E-1(2)	Totals 2023
REVENUES:										
State Sources	\$	\$	\$	\$	\$ 64,350	\$ 42,403	\$	\$	\$ 2,467,730	\$ 2,574,483
Federal Sources									2,177,612	2,177,612
Local Sources	9,608	8,409	27,180	7,371			7,725	315,510		375,803
Total Revenues	\$ 9,608	\$ 8,409	\$ 27,180	\$ 7,371	\$ 64,350	\$ 42,403	\$ 7,725	\$ 315,510	\$ 4,645,342	\$ 5,127,898
EXPENDITURES:										
Instruction:										
Salaries - Teachers	\$ 2,150	\$	\$ 4,169	\$	\$	\$	\$	\$	\$ 1,115,267	\$ 1,121,586
Other Salaries			1,281							1,281
Purchased Prof - Tech Services									12,969	12,969
Purchased Prof - Ed Services									294,867	294,867
Other Purchased Services	1,808		1,255						222,939	226,002
Tuition									460,689	460,689
Supplies and Materials	5,650		20,475					289,667	289,814	605,606
Other Objects									3,791	3,791
Total Instruction	9,608		27,180					289,667	2,400,336	2,726,791
Support Services:										
Salaries - Perdonal Services Salaries									167,476	167,476
Salaries - Supervisor of Instruction									10,186	10,186
Salaries- Principals									133,500	133,500
Salaries - Other Professionals									96,444	96,444
Salaries - Secretarial and Clerical									51,755	51,755
Other Salaries									68	68
Salaries- Family/Parent Laisons									24,299	24,299
Salaries - Fac/Math/Mst									44,416	44,416
Personal Services - Employee Benefits									506,094	506,094
Purchased Prof - Tech. Services				7,371	64,350				103,175	174,896
Purchased Prof - Ed. Services									178,391	178,391
Purchased Professional Services									11,566	11,566
Purchased Property Services									17,130	17,130
Cleaning and Repair						42,403			274,885	317,288
Other Purchased Services		2,270							6,273	8,543
Contracted Services Transportation									101,961	101,961
Supplies and Materials		6,139							32,056	38,195
Other Objects									2,148	2,148
Total Support Services		8,409		7,371	64,350	42,403			1,761,823	1,884,356
Facilities Acquisition and Const. Serv.:										
Equipment:										
Instructional Equipment									76,376	76,376
Non-Instructional Equipment									57,943	57,943
Facilities:										
Buildings									502,485	502,485
Total Facilities Acquisition and Construction Services									636,804	636,804
Total Expenditures	9,608	8,409	27,180	7,371	64,350	42,403		289,667	4,798,963	5,247,951
Excess (Deficiency) of Revenues Over (Under) Expenditures							7,725	25,843	(153,621)	(120,053)
Transfer from General Fund									153,621	153,621
Fund Balance, July 1							105,654	195,746		301,400
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$ 113,379	\$ 221,589	\$	\$ 334,968

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 625,500	\$ 613,248	\$ 12,252
Purchased Prof - Education Services	353,778	294,867	58,911
Other Purchased Services	33,117	24,515	8,602
Supplies and Materials	55,839	42,039	13,800
Total Instruction	<u>1,068,234</u>	<u>974,669</u>	<u>93,565</u>
Support Services:			
Salaries- Supervisor of Instruction	12,059	10,186	1,873
Salaries- Principals	133,542	133,500	42
Salaries-Other Professional Services	96,444	96,444	
Salaries - Other Salaries	68	68	
Salaries - Secretarial and Clerical	51,925	51,755	170
Salaries- Other Staff	27,698	24,299	3,399
Salaries - Fac/Math/it/Mst	46,573	44,416	2,157
Personal Services - Employee Benefits	356,526	354,625	1,901
Purchased Professional - Ed. Services	214,252	178,391	35,861
Purchased Professional Services - Other	42,100	11,566	30,534
Cleaning and Repair	291,745	274,885	16,860
Contracted Services Transportation	102,484	101,961	523
Travel	1,500		1,500
Supplies and Materials	32,718	24,745	7,973
Other Objects	2,150	2,148	2
Total Support Services	<u>1,411,784</u>	<u>1,308,989</u>	<u>102,795</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment	113,633	76,376	37,257
Non-Instructional Equipment	59,301	57,943	1,358
Total Facilities Acquisition and Const. Services	<u>172,934</u>	<u>134,319</u>	<u>38,615</u>
Contribution to Charter Schools			
Total Expenditures	<u>\$ 2,652,952</u>	<u>\$ 2,417,977</u>	<u>\$ 234,975</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2022-2023 Preschool Education Aid Allocation	\$ 2,326,311	(1)
Add: Actual ECPA Carryover (JUNE 30, 2022)	362,491	(2)
Add: Budgeted Transfer from General Fund 2022-2023	153,621	(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>2,842,423</u>	<u>(4)</u>
Prior Year Encumbrance Adjustment		
Less: 2022-2023 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(2,652,952)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2023	<u>189,471</u>	<u>(6)</u>
Add: JUNE 30, 2023 Unexpended Preschool Education Aid	234,975	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2022-2023 Carryover - Preschool Education Aid	<u>\$ 424,446</u>	<u>(9)</u>
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024	<u>\$ 301,427</u>	<u>(10)</u>

The Board should consider appropriating this additional carry-over into the 2023-2024 budget \$ 123,019

PROPRIETARY FUND DETAIL STATEMENTS

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

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

School Age Child Care Fund – This fund provides for the operation of school child supervision.

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

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023
(with comparative totals for June 30, 2022)

	Food Service Enterprise Fund	(SACC) School Age Child Care Enterprise Fund	Totals	
			2023	2022
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 462,700	\$ 44,233	\$ 506,933	\$ 369,453
Accounts Receivable:				
State				1,516
Federal	71,674		71,674	128,695
Other		5,239	5,239	4,183
Interfund Receivable				11,450
Inventories	2,943		2,943	15,110
Total Current Assets	537,317	49,472	586,789	530,407
Fixed Assets:				
Equipment	471,133		471,133	394,632
Accumulated Depreciation	(275,604)		(275,604)	(259,097)
Total Fixed Assets	195,529		195,529	135,535
Total Assets	\$ 732,846	\$ 49,472	\$ 782,318	\$ 665,942
LIABILITIES				
Current Liabilities:				
Interfund Payable	\$ 3,810	\$	\$ 3,810	\$
Accounts Payable	125,986		125,986	2,750
Unearned Revenue	22,343		22,343	16,659
Total Current Liabilities	152,139		152,139	19,409
NET POSITION				
Investment in Capital Assets net of Related Debt	195,529		195,529	135,535
Unrestricted	385,178	49,472	434,650	510,998
Total Net Position	580,707	49,472	630,179	646,533
Total Liabilities and Net Position	\$ 732,846	\$ 49,472	\$ 782,318	\$ 665,942

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(with comparative totals for June 30, 2022)

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals	
			2023	2022
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 139,551	\$	\$ 139,551	\$
Total Daily Sales-Reimbursable Programs	139,551		139,551	
Daily Sales Non-reimbursable Programs	153,515		153,515	77,966
Satelite Services	15,000		15,000	
Miscellaneous		177,554	177,554	174,615
Total Operating Revenue	308,066	177,554	485,620	252,581
OPERATING EXPENSES:				
Salaries		155,199	155,199	137,151
Employee Benefits		11,874	11,874	10,492
Other Costs	37,007	615	37,622	42,757
Cost of Sales - Non-Program (Non-reimbursable) Meals	25,690		25,690	29,414
Cost of Sales - Program (reimbursable) Meals	369,839		369,839	423,388
Purchased Services (Including Fixed Price Contract)	436,400	5,249	441,649	630,633
Supplies	2,576	9,639	12,215	
Depreciation	16,507		16,507	12,669
Total Operating Expenses	888,019	182,576	1,070,595	1,286,504
Operating Loss	(579,953)	(5,022)	(584,975)	(1,033,923)
Non-operating Revenues:				
State Sources:				
State School Lunch Program	13,757		13,757	23,593
State School Breakfast Program	2,648		2,648	
Federal Sources:				
National School Lunch Program	326,703		326,703	889,826
National School Breakfast Program	113,223		113,223	325,808
Emergency Operational Cost Program - Schools				20,043
P-EBT Administrative Cost Reimbursement	653		653	1,242
Supply Chain Assistance Funding	54,962		54,962	39,194
Food Distribution Program	55,332		55,332	56,299
Interest Revenue	1,189	154	1,343	838
Total Non-operating Revenues	568,467	154	568,621	1,356,843
Net Income Before Operating Transfers	(11,486)	(4,868)	(16,354)	322,920
Net Income After Operating Transfers	(11,486)	(4,868)	(16,354)	322,920
Total Net Position-Beginning	592,193	54,340	646,533	323,613
Total Net Position-Ending	\$ 580,707	\$ 49,472	\$ 630,179	\$ 646,533

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(with comparative totals for June 30, 2022)

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals	
			2023	2022
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 308,066	\$ 177,554	\$ 485,620	\$ 94,018
Payments to Employees		(155,199)	(155,199)	(106,035)
Payments for Employee Benefits		(11,874)	(11,874)	(8,106)
Payments to Suppliers	(601,296)	(16,559)	(617,855)	(912,936)
Net Cash Used by Operating Activities	(293,230)	(6,078)	(299,308)	(933,059)
Cash Flows from Non-capital Financing Activities:				
Cash Received From General Fund				
Cash Received from State and Federal Reimbursements	511,946		511,946	809,759
Total Cash Provided by Non-Capital Financing Activities	511,946		511,946	809,759
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(76,501)		(76,501)	(24,796)
Net Increase Before Investing Activities	142,215		136,137	(148,096)
Cash Flows from Investing Activities:				
Interest on Investments	1,189	154	1,343	574
Net Cash Provided by Investing Activities	1,189	154	1,343	574
Net Increase/(Decrease) in Cash and Cash Equivalents	143,404	(5,924)	137,480	(147,522)
Cash and Cash Equivalents, July 1	319,296	50,157	369,453	102,932
Cash and Cash Equivalents, June 30	\$ 462,700	\$ 44,233	\$ 506,933	\$ 102,932
Operating Income (Loss)	\$ (579,953)	\$ (5,022)	\$ (584,975)	\$ (879,986)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	16,507		16,507	10,375
Federal Commodities	55,332		55,332	49,842
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	58,537	(1,056)	57,481	(47,766)
(Increase)/Decrease in Inventory	12,167		12,167	(11,856)
(Increase)/Decrease in Interfund Receivable	11,450		11,450	(48,416)
Increase/(Decrease) in Interfund Payable	3,810		3,810	(4,998)
Increase/(Decrease) in Accounts Payable	123,236		123,236	4,251
Increase/(Decrease) in Unearned Revenue	5,684		5,684	(4,505)
Net Cash Provided by Investing Activities	286,723	(1,056)	285,667	(53,073)
Net Cash Used by Operating Activities	\$ (293,230)	\$ (6,078)	\$ (299,308)	\$ (933,059)

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023
(with comparative totals for June 30, 2022)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Transportation Maintenance Services	Custodial Services Community Service Fund	Totals	
								2023	2022
ASSETS									
Cash	\$ 358,355	\$	\$ 382,347	\$ 101,594	\$ 706,553	\$ 122,002	\$ 79,127	\$ 1,749,978	\$ 1,448,724
Accounts Receivable:									
Interfund Receivable				107				107	
Intergovernmental			19,731					19,731	9,802
Other		604				7,295		7,899	604
Total Assets	\$ 358,355	\$ 604	\$ 402,078	\$ 101,701	\$ 706,553	\$ 129,297	\$ 79,127	\$ 1,777,715	\$ 1,459,130
LIABILITIES AND RESERVES									
Liabilities:									
Accounts Payable	\$	\$	\$	\$	\$	\$	\$	\$	\$ 40,950
Interfunds Payable		107						107	
Unearned Revenue	358,355	497	402,078	101,701	706,553	129,297	79,127	1,777,608	1,418,180
	<u>358,355</u>	<u>604</u>	<u>402,078</u>	<u>101,701</u>	<u>706,553</u>	<u>129,297</u>	<u>79,127</u>	<u>1,777,715</u>	<u>1,459,130</u>
Reserves:									
Reserve for Encumbrances									
Total Liabilities and Reserves	\$ 358,355	\$ 604	\$ 402,078	\$ 101,701	\$ 706,553	\$ 129,297	\$ 79,127	\$ 1,777,715	\$ 1,459,130

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(with comparative totals for June 30, 2022)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Transportation Maintenance Services	Custodial Services Internal Service Fund	Totals	
								2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from customers and other funds	\$ 209,896	\$ 6,646	\$ 313,498	\$	\$ 546,332	\$ 105,045	\$	\$ 1,181,417	\$ 1,197,026
Payments to employees	(102,499)				(406,039)			(508,538)	(456,589)
Payments for employee benefits	(4,560)							(4,560)	(42,474)
Payments to suppliers	(12,019)	(6,928)			(8,042)			(27,096)	(259,591)
Net cash provided by (used for) operating activities	90,818	(282)	313,498		132,251	105,045		641,223	438,372
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
State sources									
Federal sources									
Operating subsidies and transfers to other funds	(45,409)	(108)	(157,744)		(86,601)	(50,107)		(339,969)	(202,421)
Net cash provided by (used for) non-capital financing activities	(45,409)	(108)	(157,744)		(86,601)	(50,107)		(339,969)	(202,421)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Change in capital contributions									
Purchases of capital assets									
Gain/Loss on sale of fixed assets (proceeds)									
Net cash provided by (used for) capital and related financing activities									
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends									
Proceeds from sale/maturities of investments									
Net cash provided by (used for) investing activities									
Net increase (decrease) in cash and cash equivalents	45,409	(390)	155,754		45,650	54,938		301,254	235,951
Balances—beginning of year	312,946	390	226,593	101,701	660,903	67,064	79,127	1,448,724	1,212,773
Balances—end of year	\$ 358,355	\$ -	\$ 382,347	\$ 101,594	\$ 706,553	\$ 122,002	\$ 79,127	\$ 1,749,978	\$ 1,448,724
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating Income (loss)	\$ 45,409	\$ 108	\$ 157,744	\$	\$ 86,601	\$ 50,107	\$	\$ 339,969	\$ 202,421
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities									
Depreciation and net amortization									
(Increase) decrease in Accounts Receivable, net			(9,929)			(7,295)		(17,224)	
(Increase) decrease in Interfund Receivable				(107)				(107)	
(Increase) decrease in Inventory									
Increase (decrease) in Interfund Payable		107						107	
Increase (decrease) in Accounts Payable					(40,950)			(40,950)	39,742
Increase (decrease) in Unearned Revenue	45,409	(497)	165,683		86,600	62,233		359,428	196,209
Increase (decrease) in Other Current Liabilities									
Total adjustments	45,409	(390)	155,754		45,650	54,938		301,254	235,951
Net cash provided by (used for) operating activities	\$ 90,818	\$ (282)	\$ 313,498	\$ (107)	\$ 132,251	\$ 105,045	\$	\$ 641,223	\$ 438,372

LONG-TERM DEBT SCHEDULES

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2013 Refunding Issue	3/20/13	\$ 1,805,000	3/1/24	\$ 235,000	3.00%	\$ 655,000	\$	\$ 180,000	\$ 475,000
			3/1/25	240,000	3.00%				
2020 Refunding Issue	4/9/20	2,580,000	1/15/24	500,000	1.383%	1,530,000		520,000	1,010,000
			1/15/25	165,000	1.383%				
			1/15/26	170,000	1.383%				
			1/15/27	175,000	1.383%				
Total Regular Serial Bonds						<u>\$ 2,185,000</u>	<u>\$</u>	<u>\$ 700,000</u>	<u>\$ 1,485,000</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2023

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2022	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2023
Lease - 5 Buses #40121969	2.09%	\$ 548,989	\$ 83,377	\$	\$ 83,377	\$
Lease - #40121969 Refinancing	2.01%	380,412	169,540		55,392	114,148
Lease - School Buses, Chromebooks and Equipment	3.07%	431,748	89,002		89,002	
Lease - School Buses, Tractor	2.61%	242,230	98,210		48,474	49,736
Lease - Lighting & HVAC	3.30%	2,500,988	2,214,294		98,460	2,115,834
Lease - 2 54 Passenger Buses	1.37%	230,200	183,544		44,951	138,593
Lease - 3 54 Passenger Buses	3.69%	365,000		365,000	77,498	287,502
Totals			\$ 2,837,967	\$ 365,000	\$ 497,154	\$ 2,705,813
		General Supplies		\$	\$	
		Transportation			398,694	
		Maintenance			98,460	
		Capital Outlay		365,000		
				\$ 365,000	\$ 497,154	

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 514,878	\$	\$ 514,878	\$ 514,878	\$
State Sources:					
Debt Service Aid Type II	209,839		209,839	209,839	
Total Revenues	<u>724,717</u>		<u>724,717</u>	<u>724,717</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	40,810		40,810	40,810	
Redemption of Principal	700,000		700,000	700,000	
Total Expenditures	<u>740,810</u>		<u>740,810</u>	<u>740,810</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,093)		(16,093)	(16,093)	
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(16,093)		(16,093)	(16,093)	
Fund Balance, July 1	16,093		16,093	16,093	
Fund Balance, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	<u>\$ 16,093</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 6,724,953	\$ 6,458,397	\$ 6,055,089	\$ 5,909,343	\$ 6,110,740	\$ 6,535,596	\$ 6,777,993	\$ 7,722,715	\$ 10,032,360	\$ 10,779,855
Restricted	524,090	572,139	1,144,205	87,502	594,136	1,161,331	1,940,873	2,343,901	2,874,670	5,170,337
Unrestricted (Deficit)	<u>(1,821,546)</u>	<u>(9,634,484)</u>	<u>(9,528,281)</u>	<u>(9,991,251)</u>	<u>(9,519,115)</u>	<u>(9,037,244)</u>	<u>(8,211,935)</u>	<u>(6,100,536)</u>	<u>(5,280,168)</u>	<u>(5,991,425)</u>
Total Governmental Activities Net Position	\$ 5,427,497	\$ (2,603,948)	\$ (2,328,987)	\$ (3,994,406)	\$ (2,814,239)	\$ (1,340,317)	\$ 506,931	\$ 3,966,080	\$ 7,626,862	\$ 9,958,767
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 37,274	\$ 51,950	\$ 78,134	\$ 93,204	\$ 89,576	\$ 83,394	\$ 106,383	\$ 120,804	\$ 135,535	\$ 195,529
Unrestricted	<u>117,027</u>	<u>119,341</u>	<u>185,726</u>	<u>225,883</u>	<u>195,059</u>	<u>261,209</u>	<u>237,041</u>	<u>202,809</u>	<u>510,998</u>	<u>434,650</u>
Total Business-Type Activities Net Position	\$ 154,301	\$ 171,291	\$ 263,860	\$ 319,087	\$ 284,635	\$ 344,603	\$ 343,424	\$ 323,613	\$ 646,533	\$ 630,179
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 6,762,227	\$ 6,510,347	\$ 6,133,223	\$ 6,002,547	\$ 6,200,316	\$ 6,618,990	\$ 6,884,376	\$ 7,843,519	\$ 10,167,895	\$ 10,975,384
Restricted	524,090	572,139	1,144,205	87,502	594,136	1,161,331	1,940,873	2,343,901	2,874,670	5,170,337
Unrestricted (Deficit)	<u>(1,704,519)</u>	<u>(9,515,143)</u>	<u>(9,342,555)</u>	<u>(9,765,368)</u>	<u>(9,324,056)</u>	<u>(8,776,035)</u>	<u>(7,974,894)</u>	<u>(5,897,727)</u>	<u>(4,769,170)</u>	<u>(5,556,775)</u>
Total District-Wide Net Position	\$ 5,581,798	\$ (2,432,657)	\$ (2,065,127)	\$ (3,675,319)	\$ (2,529,604)	\$ (995,714)	\$ 850,355	\$ 4,289,693	\$ 8,273,395	\$ 10,588,946

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 8,103,294	7,423,548	7,757,360	8,146,308	8,970,612	9,150,893	9,142,487	9,745,911	10,421,651	10,897,816
Special Education	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974	2,584,426	2,540,025	2,397,370	2,653,660
Other Special Instruction	422,846	364,830	468,101	423,650	192,246	145,909	59,557	60,737		
Other Instruction	385,895	421,645	447,970	441,349	454,021	433,252	467,336	462,830	442,415	473,406
Support Services										
Tuition	663,762	898,077	539,178	1,171,860	1,287,032	1,359,636	1,419,360	1,296,805	1,227,743	1,415,556
Student and Instruction Related Services	3,214,303	3,473,691	3,735,765	3,733,780	3,935,796	4,385,920	4,299,615	4,811,351	5,115,249	4,991,745
School Administrative Services	1,132,564	1,087,235	1,059,568	1,033,114	967,347	981,678	918,313	916,808	940,788	554,743
General Administrative Services	718,866	675,681	670,721	796,980	767,338	678,969	268,147	637,220	640,844	1,080,816
Central Services and Information Tech.	1,000,428	908,061	863,409	805,406	727,278	680,717	704,847	695,012	726,821	752,248
Plant Operations and Maintenance	2,612,458	2,634,144	2,918,010	2,550,312	2,513,883	4,278,576	2,927,399	2,447,370	2,552,123	3,168,619
Pupil Transportation	1,841,265	1,906,356	1,853,814	1,752,147	1,840,888	1,349,898	2,125,911	1,838,793	2,378,158	2,635,294
Employee Benefits	7,155,865	9,882,865	11,172,400	14,928,283	15,361,649	12,786,485	10,932,326	14,672,056	9,809,900	8,646,294
Business and Other Support Services	83,854	43,180	168,336							
Special Schools	96,324	30,078	43,448							
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	356,493	291,621	294,624	357,371	269,958	199,185	179,928	48,209	65,553	175,579
Unallocated Depreciation and Amortization	1,306,380	1,212,606	1,265,533	1,334,672	1,205,035	1,257,949	1,176,646	1,263,221	1,558,057	1,706,282
Total Governmental Activities Expenses	31,311,577	33,645,290	35,751,782	39,696,957	40,951,997	40,322,041	37,206,298	41,436,348	38,276,672	39,152,058
Business-Type Activities										
Food Service										
Food Service	686,032	712,623	708,765	707,242	812,936	750,492	546,050	847,713	1,128,839	888,019
Child Care	114,019	128,494	112,359	143,441	205,795	160,172	170,526	126,291	157,665	182,576
Total Business-Type Activities Expense	800,051	841,117	821,124	850,683	1,018,731	910,664	716,576	974,004	1,286,504	1,070,595
Total District Expenses	\$ 32,111,628	34,486,407	36,572,906	40,547,640	41,970,728	41,232,705	37,922,874	42,410,352	39,563,176	40,222,653
Program Revenues										
Governmental Activities										
Charges for Services	\$ 1,007,820	678,792	1,179,866	984,666	727,453	858,696	435,521	853,722	1,046,662	908,582
Operating Grants and Contributions	2,984,638	5,800,175	7,248,410	6,301,656	5,768,282	6,395,838	4,152,413	9,812,282	6,735,743	6,219,790
Total Governmental Activities Prog. Revenues	\$ 3,992,458	6,478,967	8,428,276	7,286,322	6,495,735	7,254,534	4,587,934	10,666,004	7,782,405	7,128,372
Business-Type Activities										
Charges for Services										
Food Service	\$ 388,776	374,179	374,027	367,768	355,061	382,591	249,378	24,697	103,980	308,066
Child Care	144,876	128,520	141,166	157,319	224,786	201,951	134,177	69,321	148,601	177,554
Operating Grants and Contributions	364,674	354,947	397,929	380,050	403,539	385,118	330,960	859,601	1,356,005	567,278
Total Business-Type Activities Prog. Revenues	898,326	857,646	913,122	905,137	983,386	969,660	714,515	953,619	1,608,586	1,052,898
Total District Program Revenues	\$ 4,890,784	7,336,613	9,341,398	8,191,459	7,479,121	8,224,194	5,302,449	11,619,623	9,390,991	8,181,270
Net (Expense)/Revenue										
Governmental Activities	\$ (27,319,119)	(27,166,323)	(27,323,506)	(32,410,635)	(34,456,262)	(33,067,507)	(32,618,364)	(30,770,344)	(30,494,267)	(32,023,686)
Business-Type Activities	98,275	16,529	91,998	54,454	(35,345)	58,996	(2,061)	(20,385)	322,082	(17,697)
Total District-Wide Net Expense	\$ (27,220,844)	(27,149,794)	(27,231,508)	(32,356,181)	(34,491,607)	(33,008,511)	(32,620,425)	(30,790,729)	(30,172,185)	(32,041,383)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Prop. Taxes Levied for General Purposes, net	\$ 9,003,134	9,296,979	9,766,792	10,033,892	12,277,712	12,585,542	12,956,017	13,215,137	13,479,440	13,749,029
Taxes Levied for Debt Service	542,035	503,085	502,391	5,925,937	518,217	518,597	513,528	533,689	513,909	514,878
Unrestricted Grants and Contributions	13,772,056	13,842,223	14,002,177	11,615,909	22,401,849	20,546,100	21,068,966	20,221,170	19,862,875	19,473,082
Tuition Received	3,168,286	3,150,646	3,165,348	3,117,914	32,303	134,877	139,514	204,951	227,888	205,684
Investment Earnings	6,478	7,005	7,698	8,716	10,747	20,362	15,102	14,836	20,375	73,999
Miscellaneous Income	122,358	406,903	180,709	69,463	402,994	755,558	158,388	222,155	261,303	187,977
Bond Proceeds										365,000
Cancellation of Accounts Receivable/Payable	(65,507)									
Transfer to Charter School	(54,085)						(385,903)	(393,045)	(314,621)	(214,058)
Transfers	(9,017)	(27,478)	(26,648)	(26,615)	(7,393)	(19,607)				
Right-to-Use Lease Adjustment									103,880	
Total Governmental Activities	26,485,738	27,179,363	27,598,467	30,745,216	35,636,429	34,541,429	34,465,612	34,018,893	34,155,049	34,355,591
Business-Type Activities										
Investment Earnings	192	461	571	773	893	972	882	574	838	1,343
Transfer										
Total Business-Type Activities	192	461	571	773	893	972	882	574	838	1,343
Total District-Wide	\$ 26,485,930	27,179,824	27,599,038	30,745,989	35,637,322	34,542,401	34,466,494	34,019,467	34,155,887	34,356,934
Change in Net Position										
Governmental Activities	\$ (833,381)	13,040	274,961	(1,665,419)	1,180,167	1,473,922	1,847,248	3,248,549	3,660,782	2,331,905
Business-Type Activities	98,467	16,990	92,569	55,227	(34,452)	59,968	(1,179)	(19,811)	322,920	(16,354)
Total District-Wide	\$ (734,914)	30,030	367,530	(1,610,192)	1,145,715	1,533,890	1,846,069	3,228,738	3,983,702	2,315,551

Source: ACFR Schedule A-2

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve	2,721	2,731	2,741	2,751	2,761	2,771	202,781	602,791	802,841	1,681,855
Maintenance Reserve					400,000	550,000	850,010	725,020	725,070	728,695
Excess Surplus					97,512	514,713	756,934	692,384	1,029,266	2,424,819
Assigned:										
Year-end Encumbrances	155,349	67,770	652,943	36,765	490,444	137,892	447,760	186,709	379,146	406,221
Subsequent Year's Expenditures	200,000	338,000	338,000		225,000	753,921	831,466	1,761,089	1,152,155	87,256
Unassigned (Deficit)	(810,199)	(855,638)	(685,522)	(614,089)	(701,755)	(697,576)	(730,440)	(26,325)	58,489	(598,235)
Total General Fund	\$ (452,129)	\$ (447,137)	\$ 308,162	\$ (574,573)	\$ 513,962	\$ 1,261,721	\$ 2,358,511	\$ 3,941,668	\$ 4,146,967	\$ 4,730,611
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assigned to Permanent Fund	93,288	91,322	91,602	91,681	93,862	93,847	102,141	278,606	301,400	334,968
Unreserved, Reported in:										
Special Revenue Fund (Deficit)	(6,930)	(6,930)	(6,930)	(6,930)	(156,999)	(195,494)	(198,933)	(223,172)	(228,263)	(232,631)
Capital Projects Fund	66,265	65,849	65,849							
Debt Service Fund	13,397	13,397					29,007	45,100	16,093	
Total All Other Governmental Funds	\$ 166,020	\$ 163,638	\$ 150,521	\$ 84,751	\$ (63,137)	\$ (101,647)	\$ (67,785)	\$ 100,534	\$ 89,230	\$ 102,337

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 9,545,169	\$ 9,800,064	\$ 10,269,183	\$ 10,551,054	\$ 12,795,929	\$ 13,104,139	\$ 13,469,545	\$ 13,748,826	\$ 13,993,349	\$ 14,263,907
Tuition Charges	3,168,286	3,126,181	3,133,105	3,071,329	32,303	134,877	139,514	204,951	227,888	205,684
Tuition from State of New Jersey		24,465	32,243	46,585						
Interest Earnings	6,478	7,005	7,698	8,716	10,747	20,362	15,102	14,836	20,375	73,999
Miscellaneous	174,358	226,903	199,448	69,463	402,994	137,564	158,387	440,561	564,597	511,212
State Sources	15,902,514	16,284,981	16,871,710	17,221,406	20,807,967	22,614,360	23,107,750	24,264,512	25,530,518	26,259,326
Federal Sources	854,180	779,501	920,554	814,961	865,380	890,455	862,317	1,375,235	1,939,136	2,202,723
Total Revenues	29,650,985	30,249,100	31,433,941	31,783,514	34,915,320	36,901,757	37,752,615	40,048,921	42,275,863	43,516,851
Expenditures										
Instruction										
Regular Instruction	8,015,101	7,778,021	7,783,812	8,064,806	8,684,505	8,695,388	9,021,168	9,295,307	9,759,087	10,417,850
Special Education Instruction	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974	2,584,426	2,540,025	2,397,370	2,653,660
Other Special Instruction	422,846	364,830	468,101	423,650	192,246	145,909	59,557	60,737	-	-
Other Instruction	385,895	421,645	447,970	441,349	454,021	433,252	467,336	462,830	442,415	473,406
Support Services										
Tuition	663,762	898,077	550,426	1,171,860	1,287,032	1,359,636	1,419,360	1,296,805	1,227,743	1,415,556
Student and Instruction Related Services	3,105,515	3,290,208	3,448,661	3,341,676	3,907,244	4,385,920	4,299,615	4,811,351	5,115,249	4,991,745
School Administrative Services	1,132,564	1,087,235	1,058,494	1,033,114	967,347	977,976	913,491	916,808	940,788	961,738
General Administrative Services	655,238	661,002	667,221	633,248	601,472	574,712	519,972	534,178	534,721	543,551
Central Services and Information Tech	724,659	699,196	712,756	643,509	677,155	698,977	700,414	688,496	720,305	745,710
Plant Operations and Maintenance	2,589,199	2,576,302	2,633,953	2,614,841	2,510,690	3,015,690	2,937,512	3,010,663	3,124,935	3,440,266
Pupil Transportation	1,572,887	1,545,518	1,586,525	1,802,630	2,125,561	2,262,565	2,097,811	1,838,793	2,378,158	2,635,294
Unallocated Employee Benefits	7,123,962	7,318,839	7,655,912	9,032,401	8,903,900	9,723,155	10,083,029	11,035,212	11,850,529	12,484,639
Special Schools	96,324	30,078	43,448							
Capital Outlay	312,914	375,761	1,265,405	1,575,280	720,232	1,250,360	2,908,611	874,391	2,763,045	1,566,817
Debt Service										
Principal	578,648	530,000	550,000	560,000	580,000	595,000	605,000	695,000	690,000	700,000
Interest and Other Charges	266,240	250,628	235,428	218,028	196,628	172,928	119,746	54,404	53,102	40,810
Total Expenditures	29,862,734	30,219,012	31,601,657	33,778,117	34,266,947	36,924,442	38,737,048	38,115,000	41,997,447	43,071,042
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(211,749)	30,088	(167,716)	(1,994,603)	648,373	(22,685)	(984,433)	1,933,921	278,416	445,809
Other Financing Sources (Uses)										
Transfer to Charter School	(9,017)	(27,478)	(26,648)	(26,615)	(20,234)	(19,607)	(385,903)	(393,045)	(314,621)	(214,058)
Capital Lease (Non-budgeted)			936,546	1,191,515	312,509	751,540	2,500,988			
Cancellation of State Aid				(118,802)						
Proceeds from Lease Purchase Transfers									230,200	365,000
Total Other Financing Sources (Uses)	(9,017)	(27,478)	909,898	1,046,098	292,275	731,933	2,115,085	(393,045)	(84,421)	150,942
Net Change in Fund Balances	\$ (220,766)	\$ 2,610	\$ 742,182	\$ (948,505)	\$ 940,648	\$ 709,248	\$ 1,130,652	\$ 1,540,876	\$ 193,995	\$ 596,751
Debt Service as a Percentage of Noncapital Expenditures	2.9%	2.6%	2.6%	2.4%	2.3%	2.2%	2.0%	2.0%	1.9%	1.8%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals and Use of Facilities	Prior Year Tuition	Services to Other LEAs	Refund of Prior Year Expenditure	Insurance Refunds/ Settlement	Athletic Receipts	Energy Admin Fee	Sale of EQUIPMENT AND Paper	Misc.	Total
2023	\$ 73,999	\$ 205,684	\$ 3,200	\$ 59,317		\$ 22,672		\$ 16,099	\$ 1,085	\$ 5,100	\$ 27,936	\$ 415,092
2022	20,375	227,888		18,525		56,441		6,767			94,153	424,149
2021	14,836	204,951		42,398		5,375					131,612	399,172
2020	14,798	139,514	640	-		1,101					101,804	257,857
2019	20,078	134,877		11,175		7,061					42,871	216,062
2018	10,465	32,303	4,800	96,426		25,922		11,442	36,981		192,861	411,200
2017	8,338	3,117,914	2,582					13,662	22,457		(6,334)	3,158,619
2016	7,307	3,165,348	185	23,911	3,260	45,349	17,175	15,482	45,402		41,682	3,365,101
2015	6,611	3,150,646	2,480			3,858	512	15,373	37,266	52,000	100,173	3,368,919
2014	6,044	3,168,286	1,260			29,604	11,118	19,137	43,614	52,000	11,995	3,343,058

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2023	\$ 10,776,800	\$ 484,974,700	\$ 51,413,200	\$ 5,499,100	\$ 51,421,000	\$ 1,749,200	\$ 605,834,000	\$ 915,304	\$ 606,749,304	2.042	\$ 725,723,527
2022	10,856,600	483,495,500	51,293,100	5,505,700	52,635,900		603,786,800	921,007	604,707,807	2.020	706,513,925
2021	11,195,000	483,305,300	50,647,000	5,495,000	50,489,800		601,132,100	971,227	602,103,327	1.993	667,331,372
2020	11,506,100	482,461,800	50,794,800	5,501,900	50,429,700		600,694,300	986,476	601,680,776	1.956	653,070,559
2019	11,905,800	484,002,000	49,197,000	5,489,800	50,214,700		600,809,300	966,771	601,776,071	1.901	659,093,028
2018	12,104,200	484,417,300	48,828,100	5,482,700	48,482,700		599,315,000	957,416	600,272,416	1.855	655,060,662
2017	13,205,100	482,659,900	49,940,700	5,479,400	49,282,900		600,568,000	968,977	601,536,977	1.792	636,397,160
2016	13,990,600	482,332,700	50,481,500	5,480,300	51,421,900		603,707,000	1,016,133	604,723,133	1.722	634,410,178
2015	14,561,600	481,563,100	50,877,100	5,521,200	51,929,100		604,452,100	1,084,474	605,536,574	1.657	641,500,415
2014	14,454,600	481,609,800	51,345,600	5,533,100	52,552,800		605,495,900	1,063,370	606,559,270	1.595	632,887,385

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)**

Year Ended June 30,	Pittsgrove Township Board of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^d	Total Direct	Pittsgrove Township	Salem County	Municipal Open Space	Total
2023	\$ 1.968	\$ 0.074	\$ 2.042	\$ 0.386	\$ 1.453	\$ 0.010	\$ 3.891
2022	1.946	0.074	2.020	0.374	1.442	0.010	3.846
2021	1.916	0.077	1.993	0.364	1.371	0.010	3.738
2020	1.881	0.075	1.956	0.339	1.329	0.010	3.634
2019	1.826	0.075	1.901	0.339	1.323	0.010	3.573
2018	1.780	0.075	1.855	0.329	1.299	0.010	3.493
2017	1.704	0.088	1.792	0.319	1.235	0.010	3.356
2016	1.638	0.084	1.722	0.309	1.14	0.010	3.181
2015	1.572	0.085	1.657	0.299	1.06	0.010	3.026
2015	1.505	0.090	1.595	0.281	1.012	0.010	2.898

Source: District Records and Municipal Tax Collector

Note:

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

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

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

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Harding Woods MHC LLC	\$ 5,742,000	0.95%	\$	
Bifulco Brothers	4,608,400	0.76%	3,754,000	0.62%
LJK Golf, LLC	4,118,400	0.68%	4,118,400	0.68%
Rainbow of NJ	2,722,400	0.45%	2,719,000	0.45%
MJF Group LLC	4,805,200	0.79%		
Holly Tree Acres MHC LLC	2,067,100	0.34%		
Mayerfeld Farms Management LLC	1,932,900	0.32%	1,732,100	0.29%
Picnic Grove MHC LLC	1,790,000	0.30%		
Innovation Foods LLC	1,794,900	0.30%		
T&T Management, LLC	1,730,800	0.29%	1,730,800	0.29%
Nancy-Lee Inc			5,742,000	0.95%
Taxpayer #1			2,427,300	0.40%
Taxpayer #2			2,152,800	0.36%
Windover LLC			2,015,200	0.33%
PAR 3 Management LLC			1,790,000	0.30%
Total	\$ 31,312,100	5.16%	\$ 28,181,600	4.66%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 13,749,029	\$ 13,749,029	100.00%	\$
2022	13,479,440	13,479,440	100.00%	
2021	13,215,137	13,215,137	100.00%	
2020	12,956,017	12,956,017	100.00%	
2019	12,585,542	12,585,542	100.00%	
2018	12,277,712	12,277,712	100.00%	
2017	10,033,892	10,033,892	100.00%	
2016	9,766,792	9,766,792	100.00%	
2015	9,296,979	9,296,979	100.00%	
2014	9,545,169	9,545,169	100.00%	

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

Note:

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ^a	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income		Per Capita ^a	
2023	\$ 1,485,000	\$ 2,705,813	\$	\$	\$ 4,190,813	0.82%	\$ 475 *	
2022	2,185,000	2,837,967			5,022,967	1.05%	576 *	
2021	2,875,000	3,161,410			6,036,410	1.38%	693	
2020	3,570,000	3,900,286			7,470,286	1.80%	858	
2019	4,096,000	2,011,505			6,107,505	1.45%	692	
2017	4,691,000	2,174,270			6,865,270	1.69%	778	
2016	5,271,000	2,672,443			7,943,443	2.05%	896	
2015	5,831,000	2,187,517			8,018,517	2.06%	901	
2014	6,381,000	1,846,717			8,227,717	2.12%	915	

* Estimate

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

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

- a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2023	\$ 1,485,000	\$	\$ 1,485,000	0.20%	\$ 168 *
2022	2,185,000		2,185,000	0.31%	251
2021	2,875,000		2,875,000	0.43%	330
2020	3,570,000		3,570,000	0.55%	410
2019	4,096,000		4,096,000	0.62%	463
2018	4,691,000		4,691,000	0.72%	530
2017	5,271,000		5,271,000	0.83%	594
2016	5,831,000		5,831,000	0.92%	655
2015	5,831,000		5,831,000	0.91%	647
2014	6,911,000		6,911,000	1.09%	761

* Estimate

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

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

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

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pittsgrove Township	\$ 505,699		\$ 505,699
Other debt			
County of Salem - Township's Share	77,900,052	13.1%	10,213,656
Subtotal, Overlapping Debt			10,719,355
Pittsgrove Township School District Direct Debt			1,485,000
Total Direct and Overlapping Debt			\$ 12,204,355

Sources: Pittsgrove Township Finance Officer and Salem County Finance Office

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
	2022	\$ 723,271,203
	2021	703,407,559
	2020	666,845,360
	[A]	\$ 2,093,524,122
Average Equalized Valuation of Taxable Property	[A/3]	\$ 697,841,374
Debt Limit (4% of Average Equalization Value)	[B]	\$ 27,913,655
Net Bonded School Debt	[C]	1,485,000
Legal Debt Margin	[B-C]	\$ 26,428,655

	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>
Debt Limit	\$ 25,656,112	\$	25,469,285	\$	25,388,673	\$	25,487,770	\$	25,711,461	\$	25,998,090	\$	26,177,719	\$	26,316,587	\$	26,979,313	\$	27,913,655
Total Net Debt Applicable to Limit	6,911,000		6,381,000		5,831,000		5,271,000		4,691,000		4,096,000		3,570,000		2,875,000		2,185,000		1,485,000
Legal Debt Margin	\$ 18,745,112	\$	19,088,285	\$	19,557,673	\$	20,216,770	\$	21,020,461	\$	21,902,090	\$	22,607,719	\$	23,441,587	\$	24,794,313	\$	26,428,655
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.94%		25.05%		22.97%		20.68%		18.24%		15.76%		13.64%		10.92%		8.10%		5.32%

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

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

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

Year		Population ^a		Personal Income (thousands of dollars) ^b		Per Capita Personal Income ^c		Unemployment Rate ^d
2023	**	8,820	\$	513,141,829	\$	58,181	**	4.1%
2022		8,811		476,489,119		58,122		3.9%
2021		8,801		437,895,107		57,547		6.4%
2020		8,812		413,963,366		54,578		8.8%
2019		8,793		420,540,264		50,597		4.1%
2018		8,856		406,698,468		47,485		5.0%
2017		8,882		387,507,821		45,923		5.3%
2016		8,916		389,001,486		45,126		5.8%
2015		9,012		389,040,390		44,576		6.5%
2014		9,078		387,394,187		42,412		8.2%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income
- ^c Per Capita
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ** Estimate

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

Employer	2023		2014	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
PSE&G	1600	2.46%		
E.I. DuPont	1094	1.68%		
Mannington Mills	1078	1.66%		
Memorial Hospital of Salem County	775	1.19%		Not Available
Atlantic City Electric	543	0.83%		
R.E. Pierson Construction	400	0.61%		
Anchor Glass	400	0.61%		
McLane NJ	376	0.58%		
Elmer Hospital	370	0.57%		
Walmart	251	0.39%		
	6,887	10.59%		

Source: Salem County Economic Resource Guide

* Salem County

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	129.00	130.00	103.50	112.80	108.50	112.00	111.00	110.00	107.00	109.00
Special education	26.00	33.80	32.00	27.40	34.50	26.00	26.00	26.00	28.50	31.00
Support Services:										
Student & instruction related services	38.50	31.00	36.00	32.60	35.50	38.00	38.00	38.00	40.00	38.00
General administrative services	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
School administrative services	14.00	11.00	14.00	16.70	15.00	13.00	13.00	13.00	13.00	13.00
Central services	5.00	5.00	4.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50
Administrative information technology	4.50	2.50	2.50	2.30	2.50	3.00	3.00	3.00	3.00	3.00
Plant operations and maintenance	12.00	8.00	9.50	8.00	9.00	5.00	5.00	5.00	5.00	5.50
Pupil transportation	29.00	29.00	33.50	40.90	41.00	43.00	43.00	42.00	41.00	42.00
Total	<u>263.00</u>	<u>260.50</u>	<u>252.80</u>	<u>238.00</u>	<u>253.50</u>	<u>247.50</u>	<u>246.50</u>	<u>244.50</u>	<u>245.00</u>	<u>249.00</u>

Source: District Personnel Records

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

Fiscal	Enrollment	Operating Expenditures ⁽¹⁾	Cost Per Pupil	Percentage Change	Teaching Staff ⁽²⁾	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ⁽³⁾	Average Daily Attendance (ADA) ⁽³⁾	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2023	1,669	\$ 41,504,225	\$ 24,866	29.35%	140	1:10	1:15	1:12	1:11	1,669	1,547	-4.02%	92.72%
2022	1,655	39,234,402	23,712	23.35%	135.5	1:10	1:15	1:12	1:11	1,655	1,530	-4.85%	92.47%
2021	1,659	37,240,609	22,448	16.77%	136	1:12	1:13	1:13	1:12	1,659	1,533	-4.60%	92.41%
2020	1,664	35,828,437	21,532	12.00%	138	1:12	1:13	1:13	1:12	1,664	1,621	-4.31%	97.42%
2019	1,755	35,674,082	20,327	5.74%	138	1:12	1:13	1:13	1:11	1,755	1,682	-4.31%	95.84%
2018	1,745	33,546,715	19,224	0.59%	142.5	1:14	1:13	1:12	1:11	1,739	1,680	2.47%	96.61%
2017	1,685	32,202,837	19,111	13.58%	140.20	1 : 18.0	1 : 13.0	1 : 11.0	1 : 13.0	1,697	1,642	-0.93%	96.76%
2016	1,803	30,336,252	16,825	1.54%	135.50	1 : 17.0	1 : 13.0	1 : 11.0	1 : 13.0	1,713	1,654	2.70%	96.56%
2015	1,801	29,843,251	16,570	1.05%	155.00	1 : 14.0	1 : 13.0	1 : 13.0	01:12.0	1,668	1,609	-4.30%	96.46%
2014	1,802	29,549,820	16,398	2.82%	155.00	1 : 14.0	1 : 13.0	1 : 8.0	1 : 7.0	1,743	1,678	1.36%	96.27%

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

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	132.7	103.9	107.6	119.0	108.0	120.0	169.5	167.9	155.4	178.5
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	344.2	334.7	352.9	362.3	350.6	457.6	347.9	340.3	342.0	362.8
Elmer School (1956)										
Square Feet	19,281	1,921	1,921	1,921	1,921	1,921	19,281	19,281	19,281	19,281
Capacity (students)	158	158	158	158	158	158	158	158	158	158
Enrollment	208.7	230.6	229.5	218.3	224.6	235.3	217.6	226.3	219.4	199.7
<u>Middle School</u>										
Pittsgrove Middle School (1989, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	491.9	500.2	480.6	471.0	501.8	387.7	399.9	399.1	405.7	441.8
<u>High School</u>										
Arthur P. Schalick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	491.6	485.2	488.0	492.8	530.6	538.1	562.1	579.8	545.4	560.5
<u>Other</u>										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at JUNE 30, 2023										
Preschool & Kindergarten = 1										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A.P. Schalick High School	112,000	\$ 35,153	\$ 249,306	\$ 253,489	\$ 236,275	\$ 272,546	\$ 80,408	\$ 46,781	\$ 13,610	\$ 19,115	\$ 13,740
Pittsgrove Middle School	88,473	238,279	223,706	229,920	532,448	373,878	88,473	19,281	6,889	21,026	5,711
Olivet Elementary School	56,659	212,323	198,795	224,559	124,310	106,271	54,049	19,646	100	11,158	6,873
Elmer Elementary School	19,281	39,383	34,220	95,084	41,862	85,069	26,362	11,287	29,255	10,192	10,060
Norma Elementary School	22,110	40,568	39,020	37,324	39,931	33,753	12,682	19,369	17,085	4,871	1,952
Total School Facilities		<u>565,706</u>	<u>745,047</u>	<u>840,376</u>	<u>974,826</u>	<u>871,517</u>	<u>261,974</u>	<u>116,364</u>	<u>66,939</u>	<u>66,362</u>	<u>38,336</u>
Other Facilities	15,028	26,026	26,519	25,369	25,097	13,284	98,536	196,465	30,929	39,470	32,177
Grand Total		<u>\$ 591,732</u>	<u>\$ 771,566</u>	<u>\$ 865,745</u>	<u>\$ 999,923</u>	<u>\$ 884,801</u>	<u>\$ 360,510</u>	<u>\$ 312,829</u>	<u>\$ 97,868</u>	<u>\$ 105,832</u>	<u>\$ 70,513</u>

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

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

	<u>Coverage</u>	<u>Deductible</u>
Republic Franklin Insurance Company/Utica National Insurance Group:		
Property		
Property- Blanket Building & Contents	\$ 73,834,051	\$ 1,000
General Liability Section		
General Aggregate Limit	13,000,000	
Each Occurrence Limit	11,000,000	
Employee Benefit Liability		
Limit of Liability	3,000,000	
Annual Aggregate	3,000,000	
Retroactive Date (7/1/1990)		
Insured Retained Limit (Each Claim)	3,000,000	
Abuse or Molestation Liability		
Limit of Liability	11,000,000	
Annual Aggregate	13,000,000	
Employment-Related Practices Liability		
Limit of Liability	11,000,000	
Annual Aggregate	11,000,000	5,000
School District Legal Liability Coverage		
Legal Liability	1,000,000	
Aggregate	3,000,000	
Insured Retained Limit (Each Loss)	7,500	
Coinsurance - 5% subject to a maximum of (Each Loss)		
Coinsurance - 5% subject to a maximum of (Aggregate)		
Commercial Crime Section		
Employee Dishonest Coverage (Per Loss)	100,000	500
Commercial Inland Marine		
Data Processing Limit	1,026,308	250
Business Auto Policy		
Liability Limit	11,000,000	
Comprehensive Deductible		500
Collision Deductible		1000
NJ Schools Insurance Group:		
Workers Compensation		
Bodily Injury by Accident (Each Accident)	3,000,000	
Bodily Injury by Disease (Agreement Limit)	3,000,000	
Bodily Injury by Accident (Each Employee)	3,000,000	
Utica National Insurance Group:		
Commercial Umbrella Policy		
General Aggregate	10,000,000	
Each Incident Limit	10,000,000	
Retained Limit	10,000	
Zurich American Insurance Company:		
Student Accident Coverage		
Compulsory Student Accident Coverage	5,000,000	
The Ohio Casualty Insurance Company:		
Surety Bonds		
Public Official Bond- Business Administrator	250,000	

Source: District records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the of Education of the Pittsgrove Township School District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

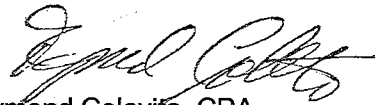
As part of obtaining reasonable assurance about whether the Pittsgrove Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 30, 2023

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2023-1.

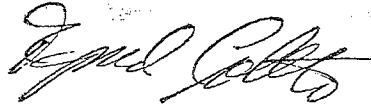
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 30, 2023

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

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	JUNE 30, 2022			Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	JUNE 30, 2023		Due to Grantor at June 30, 2023
						Accounts Receivable	Unearned Revenue	Cash Received				(Accounts Receivable)	Unearned Revenue	
U.S. Department of Health and Human Services														
General Fund:														
Medical Assistance Program	93.778	2206NJ5MAP	N/A	7/1/21 - 6/30/22	\$ 27,461	\$ (8,462)	\$	\$ 8,462	\$	\$	\$	\$	\$	\$
Medical Assistance Program	93.778	2305NJ5MAP	N/A	7/1/22 - 6/30/23	25,111			23,332		(25,111)	(25,111)	(1,779)		
Total U.S. Department of Education								31,794		(25,111)	(25,111)	(1,779)		
U.S. Department of Homeland Security														
Passed-through State Department of Education:														
Special Education Fund:														
Total U.S. Department of Homeland Security														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Non-Cash Assistance:														
Food Distribution Program	10.565	Unknown	N/A	7/1/21 - 6/30/22	56,585		1,589			(1,589)	(1,589)			
Food Distribution Program	10.565	Unknown	N/A	7/1/22 - 6/30/23	56,686			56,686		(53,743)	(53,743)		2,943	
Child Nutrition Center:														
Cash Assistance:														
National School Lunch Program	10.555	221NJ304N1099	N/A	7/1/21 - 6/30/22	889,826	(65,878)		65,878						
National School Lunch Program	10.555	231NJ304N1199	N/A	7/1/22 - 6/30/23	326,703			274,557	(326,703)		(326,703)	(52,146)		
National School Breakfast Program	10.553	221NJ304N1099	N/A	7/1/21 - 6/30/22	325,808	(23,623)		325,808						
National School Breakfast Program	10.553	231NJ304N1199	N/A	7/1/22 - 6/30/23	113,223			94,348	(113,223)		(113,223)	(18,875)		
P-EBT Administrative Cost Reimburse	10.649	202322S900941	N/A	7/1/22 - 6/30/23	653			653	(653)		(653)	(653)		
Supply Chain Assistance Funding	10.555	221NJ344N8903	NA	7/1/21 - 6/30/22	39,194	(39,194)		39,194						
Supply Chain Assistance Funding	10.555	231NJ344N8903	NA	7/1/22 - 6/30/23	54,962			54,962	(54,962)		(54,962)			
Total U.S. Department of Agriculture						(128,695)	1,589	609,248	(550,873)		(550,873)	(71,674)	2,943	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
E.S.E.A.:														
Title I	84.010	S010A210030	ESEA-415022	7/1/21 - 9/30/22	301,264	(140,046)		140,046						
Title I	84.010	S010A220030	ESEA-415023	7/1/22 - 9/30/23	280,602			84,888	(259,326)		(259,326)	(174,440)		
ESEA T-II A	84.367A	S367A210029	ESEA-415022	7/1/21 - 9/30/22	66,000	(12,808)		12,808						
ESEA T-II A	84.367A	S367A220029	ESEA-415023	7/1/22 - 9/30/23	50,141			18,700	(37,034)		(37,034)	(18,334)		
ESEA Title IV	84.424A	S424A220031	ESEA-415022	7/1/22 - 9/30/23	23,433			22,240	(22,240)		(22,240)			
Education Stabilization Fund:														
CARES ACT 2020/ESSER	84.425D	S425D200027	CARE-415020	3/13/20-9/30/22	259,533	(13,432)		13,432						
CRRSA:														
CRRSA - ESSER II	84.425D	S425D210027	CRSSA-4150-23	3/13/20-9/30/23	1,063,697	(55,054)		116,046	(307,763)		(307,763)	(246,771)		
CRRSA - Mental Health	84.425D	S425D210027	CRSSA-4150-23	3/13/20-9/30/23	45,000			6,238	(6,238)		(6,238)			
CRRSA - Learning Accel	84.425D	S425D210027	CRSSA-4150-23	3/13/20-9/30/23	68,262	(417)		417	(28,829)		(28,829)	(28,829)		
ARP:														
ARP - ESSER - III	84.425U	S425U210027	ARP-4150-24	3/13/20-9/30/24	2,390,591	(45,248)		524,929	(875,751)		(875,751)	(396,070)		
Accel Learning (Instruction)	84.425U	S425U210027	ARP-4150-24	3/13/20-9/30/24	143,199			22,703	(22,715)		(22,715)	(12)		
Beyond the School Day (After)	84.425U	S425U210027	ARP-4150-24	3/13/20-9/30/24	40,000			23,050	(38,876)		(38,876)	(15,826)		
Mental Health (Emergency)	84.425U	S425U210027	ARP-4150-24	3/13/20-9/30/24	88,501			34,496	(88,052)		(88,052)	(53,556)		
Homeless	84.425U	S425U210027	ARP-4150-24	3/13/20-9/30/24	17,130			17,130	(17,130)		(17,130)			
IDEA Cluster:														
I.D.E.A. Part B, Basic	84.027A	H027A210100	IDEA-415022	7/1/21 - 9/30/22	448,053	(117,330)		117,330						
I.D.E.A. Part B, Basic	84.027A	H027A220100	IDEA-415023	7/1/22 - 9/30/23	460,689			276,542	(460,689)		(460,689)	(184,147)		
ARP IDEA Part B-Basic	84.027X	H027X210100	IDEA-415022	7/1/21 - 9/30/22	79,704	(79,704)		79,704						
ARP IDEA Part B-Basic	84.027X	H027X220100	IDEA-415023	7/1/22 - 9/30/23										
ARP IDEA Preschool	84.173X	H173X210114	IDEAPS-415022	7/1/21 - 9/30/22	6,783	(6,783)		6,783						
ARP IDEA Preschool	84.173X	H173X220114	IDEAPS-415023	7/1/22 - 9/30/23										
I.D.E.A. Part B, Preschool	84.173	H173A210114	IDEAPS-415022	7/1/21 - 9/30/22	11,229	(11,229)		11,229						
I.D.E.A. Part B, Preschool	84.173	H173A220114	IDEAPS-415023	7/1/22 - 9/30/23	12,969				(12,969)		(12,969)	(12,969)		
Total U.S. Department of Education						(482,051)		1,528,709	(2,177,612)		(2,177,612)	(1,130,954)		
Total Federal Financial Awards						\$ (619,208)	\$ 1,589	\$ 2,169,751	\$ (2,753,596)	\$	\$ (2,753,596)	\$ (1,204,407)	\$ 2,943	\$

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

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

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

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	JUNE 30, 2022			Cash Received	Adjustment	Budgetary Expenditures	JUNE 30, 2023		MEMO	
				(Accounts Receivable)	Unearned Revenue	Carryover Amount				(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	23-495-034-5120-078	12,996,522	7/1/22 to 6/30/23	\$	\$	\$	\$ 11,734,915	\$	\$ (12,996,522)	\$ (1,261,607)	\$	\$ (1,261,607)	\$ (12,996,522)
Transportation Aid	23-495-034-5120-014	838,537	7/1/22 to 6/30/23				757,138		(838,537)	(81,399)		(81,399)	(838,537)
Special Education Categorical Aid	23-495-034-5120-089	1,275,692	7/1/22 to 6/30/23				1,151,857		(1,275,692)	(123,835)		(123,835)	(1,275,692)
Security Aid	23-495-034-5120-084	343,038	7/1/22 to 6/30/23				309,738		(343,038)	(33,300)		(33,300)	(343,038)
School Choice Aid	23-495-034-5120-068	1,489,995	7/1/22 to 6/30/23				1,345,357		(1,489,995)	(144,638)		(144,638)	(1,489,995)
Extraordinary Aid	22-100-034-5120-044	366,922	7/1/21 to 6/30/22	(366,922)			366,922						
Extraordinary Aid	23-100-034-5120-044	408,323	7/1/22 to 6/30/23						(408,323)	(408,323)		*	(408,323)
Non-Public Transportation Aid	N/A	21,460	7/1/21 to 6/30/22	(21,460)			21,460					*	
Non-Public Transportation Aid	N/A	22,862	7/1/22 to 6/30/23						(22,862)	(22,862)		*	(22,862)
Homeless Tuition Reimbursement	N/A	30,505	7/1/21 to 6/30/22	(30,505)			30,505						
Maintenance of Equity	22-495-034-5120-128	23,648	7/1/21 to 6/30/22	(23,648)			23,648						
Lead testing for Schools Aid	23-495-034-5120-104	3,078	7/1/22 to 6/30/23				3,078		(3,078)			*	(3,078)
Alyssa's Law	23E00113	91,847	7/1/22 to 6/30/23				91,847		(91,847)			*	(91,847)
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	927,476	7/1/21 to 6/30/22	(43,828)			43,828						
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	970,063	7/1/22 to 6/30/23				921,668		(970,063)	(48,395)		*	(970,063)
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	4,530,569	7/1/22 to 6/30/23				4,530,569		(4,530,569)			*	(4,530,569)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,190,170	7/1/22 to 6/30/23				1,190,170		(1,190,170)			*	(1,190,170)
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	1,737	7/1/22 to 6/30/23				1,737		(1,737)			*	(1,737)
				(486,363)			22,524,437		(24,162,433)	(2,124,359)		(1,644,779)	(24,162,433)
Special Revenue Fund:													
Preschool Education Aid	22-495-034-5120-086	2,433,370	7/1/21 to 6/30/22	(228,263)	362,491	(362,491)	228,263						
Preschool Education Aid	23-495-034-5120-086	2,479,932	7/1/22 to 6/30/23			362,491	2,247,301		(2,417,977)	(232,631)	424,446	(232,631)	(2,417,977)
Perkins - Pre K Security	21E00261	4,950	7/1/22 to 6/30/23						(4,950)	(4,950)		*	(4,950)
ACSERS - Special Instruction	N/A	198,424	7/1/22 to 6/30/23				99,212		(198,424)	(99,212)		*	(198,424)
LEAP	N/A	65,000	7/1/21 to 6/30/22	(645)						(645)			
LEAP	N/A	64,354	7/1/22 to 6/30/23						(64,350)	(64,350)		*	(64,350)
SDA Emergent Needs & Capital Maintenance	22-100-034-5120-086	42,403	7/1/22 to 6/30/23				42,403		(42,403)			*	(42,403)
				(228,908)	362,491		2,617,179		(2,728,104)	(401,788)	424,446	(232,631)	(2,728,104)
Debt Service Fund:													
Debt Service Aid Type II	23-495-034-5120-017	209,839	7/1/22 to 6/30/23				209,839		(209,839)			*	(209,839)
State Department of Agriculture:													
Enterprise Fund													
National School Lunch Program (State Share)	22-100-010-3350-023	20,940	7/1/21 to 6/30/22	(1,516)			1,516						
National School Lunch Program (State Share)	23-100-010-3350-023	13,757	7/1/22 to 6/30/23				11,131		(13,757)	(2,626)		*	(13,757)
School Breakfast Program (Includes bfast bell)	23-100-010-3350-023	2,648	7/1/22 to 6/30/23				2,143		(2,648)	(505)		*	(2,648)
				(1,516)			14,790		(16,405)	(3,131)			(16,405)
Total State Financial Assistance				\$ (716,787)	\$ 362,491	\$	\$ 25,366,245	\$	\$ (27,116,781)	\$ (2,529,278)	\$ 424,446	\$ (1,877,410)	\$ (27,116,781)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	4,530,569	7/1/22 to 6/30/23				\$ 4,530,569	\$	\$ (4,530,569)				
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,190,170	7/1/22 to 6/30/23				1,190,170		(1,190,170)				
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	1,737	7/1/22 to 6/30/23				1,737		(1,737)				
Total State Financial Assistance - Major Program Determination							\$ 19,643,769	\$	\$ (21,394,305)				

See accompanying notes to schedules of financial assistance

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

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$93,475) for the general fund and (\$593,954) for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 25,111	\$ 24,068,958	\$ 24,094,069
Special Revenue Fund	2,177,612	1,980,529	4,158,141
Debt Service		209,839	209,839
Food Service Fund	<u>550,873</u>	<u>16,405</u>	<u>567,278</u>
Total Awards & Financial Assistance	\$ <u>2,753,596</u>	\$ <u>26,275,731</u>	\$ <u>28,825,649</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Township of Pittsboro School District had no outstanding loans at June 30, 2023.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There were no adjustments made on Schedule A of Federal Awards or on Schedule B of State Financial Assistance.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D210027	EDUCATION STABILIZATION FUND: ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND
84.425U	S425U210027	
		AMERICAN RESCUE PLAN
10.553	231NJ304N1199	CHILD NUTRITION CLUSTER: NATIONAL SCHOOL LUNCH PROGRAM
10.555	231NJ304N1099	
		SCHOOL BREAKFAST PROGRAM

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

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

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

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-068	School Choice Aid
23-100-034-5120-044	Extraordinary Aid

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

Section II - Financial Statement Findings

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

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

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

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

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

FEDERAL AWARDS

Finding: 2023-1 (AMR 2023-1)

Information on the federal program: Child Nutrition Cluster (10.553, 10.555)

Criteria or specific requirement: The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

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

Questioned Costs: None

Context: Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$120,781, as of June 30, 2023.

Effect: Violation of New Jersey Department of Agriculture requirements.

Cause: Actual expenditures were less than anticipated.

Recommendation: The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Views of responsible officials and planned corrective actions: Management is aware of the necessary procedures to be updated and followed.

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

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

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

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.