

**Annual Comprehensive  
Financial Report  
of the**

**Pitman School District  
Pitman, New Jersey  
For The Year Ended June 30, 2024**

Prepared by  
Pitman Board of Education  
Finance Department



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## **Introductory Section**

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## PITMAN PUBLIC SCHOOLS

*Robert Preston, Superintendent of Schools*  
*Robert Miles, School Business Administrator*

**Central Office** 320 Grant Avenue, Pitman, NJ 08071

**Main:** 856-589-2145

**[pitman.k12.nj.us](http://pitman.k12.nj.us)**

December 13, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Pitman Public School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the School District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, MD&A, and the basic financial statements; including the District-wide fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information generally presented this year on a multi-year basis. The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

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

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

Enrollment during the 2023-24 school year included 971 regular education students and 170 special education students, for a total of 1,141 students in grades Pre-K through 12. Additionally, 14 students were enrolled in out-of-district placements.



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Fiscal Year	Total Student Enrollment
2014-15	1,464
2015-16	1,430
2016-17	1,364
2017-18	1,327
2018-19	1,292
2019-20	1,236
2020-21	1,140
2021-22	1,163
2022-23	1,147
2023-24	1,141

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

In the 2006-2007 school year, the School District began providing childcare (Panther Club) for students ages 4 through Grade 5 at each of the elementary schools, enrolling approximately 75 students. At the end of the 2023-24 school year, Panther Club had a total of approximately 115 students participating.

Health insurance costs continue to increase nationwide, and the school district is not immune from this impact. Nevertheless, through negotiations, the Pitman Board of Education has been able to implement cost saving measures to offset the increases. These included increasing certain co-pays, as well as providing a waiver payment of up to \$5,000 for individuals who wish to “sell back” their insurance plan. In the future, the Board of Education plans to explore avenues to achieve further cost savings.

### 2) ECONOMIC CONDITION AND OUTLOOK

State aid for the 2023-24 school year amounted to \$5,676,093. This represented an overall decrease of \$2,480,941 from the 2022-23 state aid figure of \$8,157,034. Debt service aid amounted to \$329,916, thus representing 43.4% of the district’s annual debt obligation (\$759,600).

#### Special Education

Federal and State mandated services and regulations continue to increase to an ever-growing population of special needs students. Providing the necessary and required services for our special education population has been recognized by the Board and Administration. The School District has provided Pre-



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School Handicapped Inclusion classes since 2007-2008 school year. In addition, the School District is still experiencing an increase in special education students with severe needs and the need to provide the least restrictive environment for students. These two issues alone require additional resources which the cost of far exceeds the changes in aid.

### Federal Funding

The District's ESEA, IDEA Basic, and IDEA Pre-School funding remained relatively flat for the 2023-2024 school year.

### Strategic Planning Process

In December 2016, the Pitman Public Schools embarked on a strategic planning initiative called **Looking Forward 2022**. District leaders have engaged local residents, families, business owners, civic leaders, and district employees in "community conversations" about the future direction of the Pitman schools. Looking Forward 2022 was designed to help the Board of Education and district administration to:

- *Learn what concerned citizens believe are the strengths of our schools*
- *Listen to the ideas and suggestions that community members have for improving our school district*
- *Identify challenges and the opportunities that those challenges present*
- *Focus the community's resources toward common goals*
- *Develop a five-year plan for the district centered on mutually determined goals that support the needs of our students and the district as a whole*

The planning process started with surveys of students, families, and community members in December 2016, and through four strategic visioning sessions in spring 2017 with a team of 40+ community stakeholders. Our thanks to the University of Pennsylvania's Center of Civic Engagement and Dr. Harris Sokoloff for their assistance. During the summer of 2017, district officials and the Board of Education crafted goals and objectives. The final plan was presented publicly and adopted by the Board of Education on September 20, 2017.

### Grants

The district remains committed to pursuing grants as a means to provide students with quality programs and resources. During the 2023-24 school year, the district strategically utilized the remaining ARP ESSER III (American Rescue Plan; Elementary & Secondary Schools Emergency Relief III) funds that were awarded during the 2021-22 school year.

### Bond Referendum

The Administration continues to strive to maintain and upgrade the facilities in the District. As a result, a bond referendum has been launched and voting will take place on January 28, 2025. The referendum involves two questions that encompass the following projects:

#### Question #1 -

- Pitman Elementary School
  - Replace steam boilers with high-efficiency, gas-fired hydronic boilers.
  - Add new radiators, heaters, convectors and piping to provide a cohesive system for heating the schools.



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- Renovate seven bathrooms to improve functionality and install age-appropriate fixtures.
- Pitman Jr./Sr. High School
  - Reconstruct the track to include new rubber surface, new asphalt paving, and new event striping and markings.
  - Fix underground drainage issues that are causing the area near the track and on the track to sink.
  - Fully reconstruct and repave the auditorium/event parking lot off Waverly Avenue, which will also address ongoing drainage issues.
  - Partially replace the roof to extend the life by at least another 30 years.

### Question #2

- Pitman Elementary School
  - Install new gas-fired heating, ventilation, and air conditioning (HVAC) units to provide air conditioning for year-round comfort in the entire school.
- Pitman Jr./Sr. High School
  - Create a dedicated security vestibule for the secure screening of visitors before they enter the school.

Total projected costs equal \$21.3 million. With projected state aid funding of \$7.3 million, the total local taxpayer obligation would equal approximately \$14.2 million.

### 4) INTERNAL ACCOUNTING CONTROLS

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

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

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



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### **5) BUDGETARY CONTROLS**

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

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

### **6) ACCOUNTING SYSTEM AND REPORTS**

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

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

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

### **8) RISK MANAGEMENT**

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

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

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

The Fund provides the following coverage:

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



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

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

### 9) OTHER INFORMATION

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

### 10) CAPITAL IMPROVEMENT PLAN

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

Funds were dedicated for projects during the 2023-2024 school year from the Maintenance Reserve.



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### 11) ACKNOWLEDGEMENTS

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

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

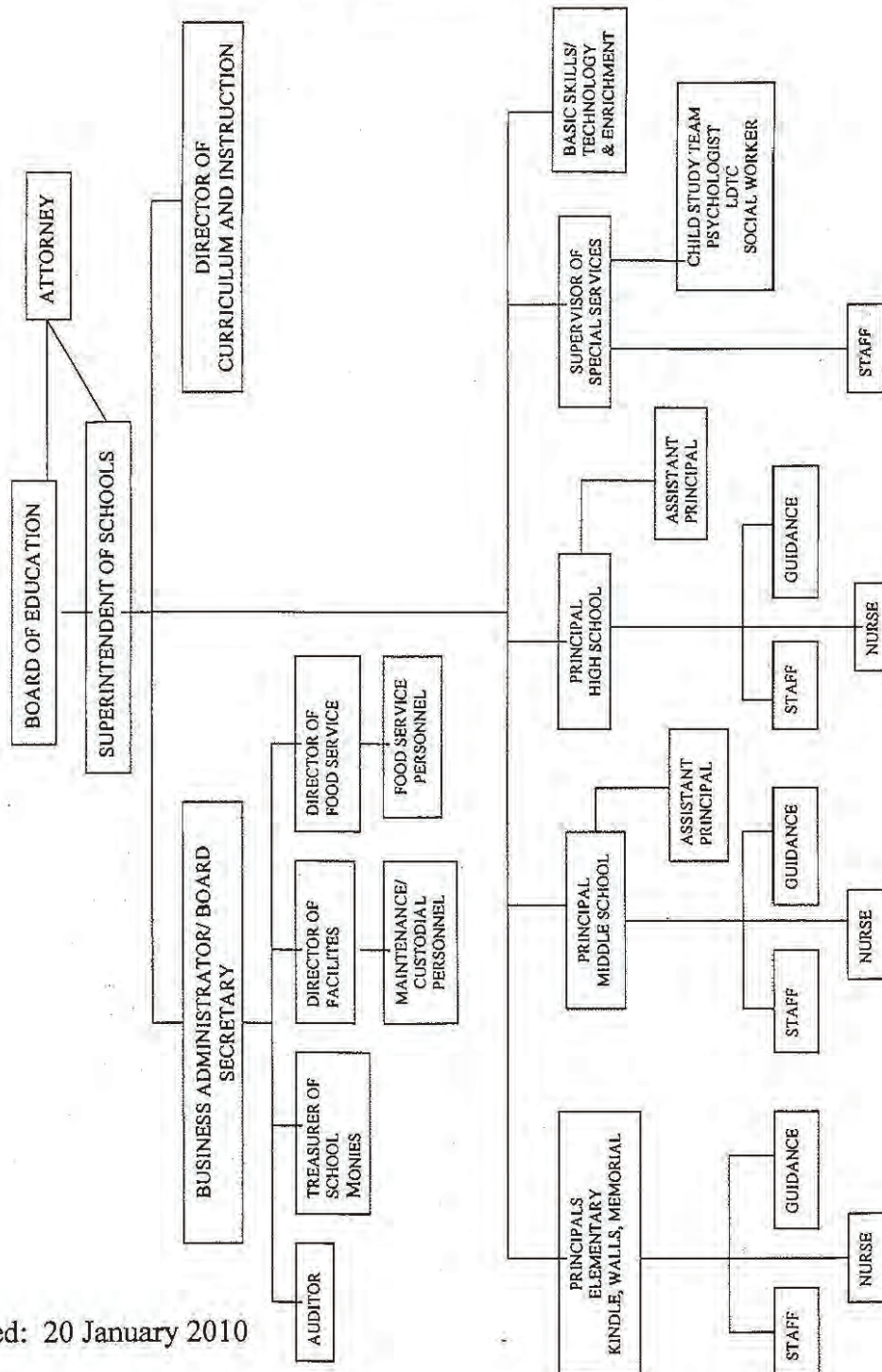
Respectfully submitted,

Dr. Robert J. Preston  
*Superintendent of Schools*

Mr. Robert O. Miles III  
*Business Administrator/Board Secretary*



## 1110 ORGANIZATIONAL CHART



Adopted: 20 January 2010





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

**ROSTER OF OFFICIALS**  
**JUNE 30, 2024**

**Members of the Board of Education**

**Term Expires**

April Miller, President	2026
Stacey Pappalardo, Vice-President	2025
Sara Boulton	2026
Melissa Farrell	2025
David Grossman	2024
Rebecca Higbee-Ionno	2024
Natalie Pote	2025

**Other Officials**

Steven Crispin., Interim Superintendent

Robert O. Miles III, Business Administrator/Board Secretary

**PITMAN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORIES**

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

## **Financial Section**

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### **Independent Auditor's Report**

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

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, in the County of Gloucester, New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

## **Other Matters**

### **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pitman School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the Pitman School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pitman School District's internal control over financial reporting and compliance.

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

FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

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

December 13, 2024

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART 1**

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

The discussion and analysis of Pitman School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position increased \$584,268, which represents an increase of approximately 7% over the prior year.
- General revenues accounted for \$28,687,612 in revenue or 98% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$613,516 or 2% of total revenues of \$29,301,128.
- Total assets decreased \$1,152,738 as cash and cash equivalents decreased by \$4,006,851, receivables increased by \$2,807,149, and net capital assets increased by \$49,132.
- The School District had \$28,716,860 in expenses; \$613,516 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$28,687,612 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$27,944,287 in revenues and \$28,710,407 in expenditures. The General Fund's fund balance decreased \$894,820 from the prior year.

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

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

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

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during FY 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District 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 conditions, required educational programs and other factors.

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

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

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

Fund Financial Statements

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

Governmental Funds

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

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

Table 1 provides a summary of the School District's net position for 2024 and 2023.

**Table 1  
Net Position**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and Other Assets	\$ 7,606,876	8,884,827
Capital Assets	9,410,851	9,361,729
	<u>17,017,727</u>	<u>18,246,556</u>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	153,608	363,959
Loss on Refunding Bonds	76,520	114,779
	<u>230,128</u>	<u>478,738</u>
<b>Liabilities</b>		
Long-Term Liabilities	6,305,894	7,476,940
Other Liabilities	1,641,405	2,148,617
	<u>7,947,299</u>	<u>9,625,557</u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	500,372	883,821
	<u>500,372</u>	<u>883,821</u>
<b>Net Position</b>		
Net Investment in Capital Assets	7,929,627	7,163,668
Restricted	5,480,995	3,392,759
Unrestricted	(4,610,438)	(2,340,511)
	<u>\$ 8,800,184</u>	<u>\$ 8,215,916</u>

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

Table 2 shows changes in net position for fiscal year 2024 and 2023

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**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Table 2  
Changes in Net Position**

	2024	2023
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 769,362	612,819
Operating Grants and Contributions	(155,846)	(72,357)
General Revenues:		
Property Taxes	16,072,134	15,615,459
Grants and Entitlements	12,354,022	14,797,261
Other	261,456	149,732
Total Revenues	<u>29,301,128</u>	<u>31,102,914</u>
<b>Program Expenses</b>		
Instruction	7,836,791	8,570,420
Support Services:		
Tuition	1,473,957	1,043,402
Pupils and Instructional Staff	3,443,067	3,529,540
General and School Administration, Business	1,407,881	1,762,874
Operations and Maintenance of Facilities	3,205,077	1,660,585
Pupil Transportation	692,183	626,919
Unallocated Benefits	9,885,393	10,067,919
Interest on Debt	37,071	56,927
Food Service	572,995	651,143
Other Enterprise	162,445	158,987
Total Expenses	<u>28,716,860</u>	<u>28,128,716</u>
Increase in Net Position	<u>\$ 584,268</u>	<u>2,974,198</u>

**Governmental Activities**

Property taxes made up 55% of revenues for governmental activities for the Pitman School District for the fiscal year 2024. The School District's total governmental revenues were \$29,301,128 for the year ended June 30, 2024. Charges for services represent 3% of revenue and federal, state, and local grants accounted for another 42% of revenue.

The total cost of all programs and services was \$28,716,860. Instruction comprises 28% of District expenses.

**Business-Type Activities**

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

- Revenues exceeded Expenses by \$22,835.
- Charges for services represent \$445,269 of revenue. This represents amounts paid by patrons for daily food service and childcare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$228,723.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Governmental Activities**

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

**Table 3**

	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>
Instruction	\$ 13,585,264	14,989,479	14,373,874	15,620,483
Support Services:				
Tuition	1,473,957	1,473,957	1,043,402	1,043,402
Student and Instructional Staff	5,350,060	4,621,094	5,501,565	4,699,192
General Administration, School				
Admin & Business Services	2,187,429	2,218,288	2,747,828	2,761,439
Operation of Plant	4,264,888	3,603,795	2,617,799	2,288,301
Pupil Transportation	1,082,751	1,098,212	977,191	982,031
Interest and Finance Charges	37,071	37,071	56,927	56,927
Food Service	572,995	84,722	651,143	129,492
Childcare	162,445	(23,274)	158,987	6,987
Total Expenses	\$ <u>28,716,860</u>	<u>28,103,344</u>	<u>28,128,716</u>	<u>27,588,254</u>

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

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

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

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

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

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

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

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

None of the variances are unusual or unexpected.



**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$31,663,809 and expenditures were \$32,584,880. The net decrease in the fund balance of operations for the year was (\$921,071).

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2024, and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2023</b>	<b>Percent of Increase (Decrease)</b>
Local Sources	\$ 16,628,166	52.5%	394,892	2.4%
State Sources	14,028,903	44.3%	(1,591,117)	-10.2%
Federal Sources	1,006,740	3.2%	(616,445)	-38.0%
Total	<u>\$ 31,663,809</u>	100.0%	<u>(1,812,670)</u>	-5.4%

The decrease in State funding is due to decreased State Aid Public. The increase in local sources is mostly due to an increase in miscellaneous revenue.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2024, and the percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2023</b>	<b>Percent of Increase (Decrease)</b>
Current expense:				
Instruction	\$ 10,991,054	33.7%	(258,575)	-2.3%
Undistributed expenditures	19,272,890	59.1%	(238,973)	-1.2%
Capital Outlay	1,559,123	4.8%	(423,170)	-21.3%
Debt Service:				
Principal	700,000	2.1%	35,000	5.3%
Interest	61,813	0.2%	(27,300)	-30.6%
Total	<u>\$ 32,584,880</u>	100.0%	<u>(913,018)</u>	-2.7%

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

**General Fund Budgeting Highlights**

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

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

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

- The On-behalf TPAF Pension contributions appear as both a revenue and an expense in the School District's financial statements. The State of New Jersey made on behalf TPAF Pension Contributions of \$4,258,350 for FY 2024 and also made on-behalf TPAF post-retirements contributions of \$1,158,967 and long-term disability insurance for the School District in the amount of \$898.
- The State of New Jersey reimbursed the District for TPAF Social Security contributions made during the school year. The amount of \$754,919.

**Capital Assets**

At the end of the fiscal year 2024, the School District had \$9,410,850 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2024 balances compared to 2023.

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

	2024	2023
Land	\$ 101,593	101,593
Construction in Progress	604,001	604,001
Land Improvements	73,984	33,456
Building & Building Improvements	7,411,842	7,791,556
Machinery and Equipment	1,219,430	831,122
Total	<u>\$ 9,410,850</u>	<u>9,361,728</u>

**Debt Administration**

At June 30, 2024, the School District had the following outstanding long term liabilities.

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

	2024	2023
2016 General Obligation Bonds	\$ 1,280,000	1,980,000
Unamortized Bond Premiums	102,670	154,004
OPEB	175,074	178,863
Subscription Arrangements	-	76,081
Pension liability Compensated	4,360,580	4,740,666
Absences	387,570	347,353
Total	<u>\$ 6,305,894</u>	<u>7,476,967</u>

As of June 30, 2024, the School District was within its overall legal debt margin.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**For the Future**

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

- The district has experienced increased tuition and transportation costs for out-of-district placements. As a result, the district is exploring creating programs that enable resident students to attend the school district. This would not only save the district money and also would entice other districts to send students to the program, thus opening another revenue stream.
- Senate Bill 2 (S-2) resulted in a significant reduction in state aid for the district, thus forcing the district to close two schools and lose a number of impactful positions. Specifically, the district has made large cuts to teaching staff. The district has reconfigured its elementary grade configuration to create staff and program efficiencies.
- The district has experienced enrollment declines for several years. (Thankfully, that trend appears to be reversing.) The district has combated this decrease by expanding its non-resident tuition program and through its preschool program.
- The district continues to strive to maintain and upgrade the facilities in the District. This represents a financial challenge given the age of the buildings. As a result, a bond referendum was launched in the fall of 2024 and voting will take place on January 28, 2025. (At the time of this writing, that vote has not yet happened.) The referendum involves two questions that encompass the following projects: replacing steam boilers with high-efficiency, gas-fired hydronic boilers at PES; adding new radiators, heaters, convectors and piping to provide a cohesive system for heating the schools at PES; renovating seven bathrooms to improve functionality and install age-appropriate fixtures at PES; reconstructing the track to include new rubber surface, new asphalt paving, and new event striping and markings at the Jr./Sr. High School ; fixing underground drainage issues that are causing the area near the track and on the track to sink at the Jr./Sr. High School; fully reconstructing and repaving the auditorium/event parking lot off Waverly Avenue, which will also address ongoing drainage issues; partially replacing the roof to extend the life by at least another 30 years at the Jr. /Sr. High School; installing new gas-fired heating, ventilation, and air conditioning (HVAC) units to provide air conditioning for year-round comfort in the entire school at PES; and, creating a dedicated security vestibule for the secure screening of visitors before they enter the school at the Jr./Sr. High School. Total projected costs equal \$21.3 million. With projected state aid funding of \$7.3 million, the total local taxpayer obligation would equal approximately \$14.2 million.
- The State Legislature enacted a 2% cap on property tax increases that was in effect with the development of school district budgets for the 2023-2024 school year. This limits the district's ability to offset decreases in state aid.
- Legislation enacted in June 2011 set employee contribution rates towards the cost of health benefits over a four-year phase-in period. This phase-in period is complete, with all employee contributions at the highest tier. While these contributions helped offset annual increases in premiums, the average rate of increases exceeded the expected contributions, as well as the annual increase pool of contributions. Chapter 44 legislation has impacted the district by increased board share costs. Due to the expected opt in to those plans, employee contributions are expected to decline further, thereby shifting the difference to the district.

**PITMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

- The 2011 closing of the former Sony DADC plant (largest taxpayer) has impacted the tax rate for Pitman residents. Development of this land will aid in offsetting the tax burden felt by the local taxpayer.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Business Administration/Board Secretary at Pitman Board of Education, 420 Hudson Avenue, Pitman NJ 08071. Please visit our website at <https://www.pitman.k12.nj.us>.

## **BASIC FINANCIAL STATEMENTS**

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## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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**PITMAN SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,242,568	586,350	3,828,918
Receivables, Net	3,748,189	19,760	3,767,949
Inventory		10,009	10,009
Subscription Assets	-		-
Capital Assets			
Non-Depreciated Assets	705,594		705,594
Capital Assets being Depreciated, net	8,610,677	94,580	8,705,257
<b>Total Assets</b>	<u>16,307,028</u>	<u>710,699</u>	<u>17,017,727</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	153,608		153,608
Loss on Refunding Bonds	76,520		76,520
Total Deferred Outflows of Resources	<u>230,128</u>	<u>-</u>	<u>230,128</u>
<b>LIABILITIES</b>			
Accounts Payable	1,258,226	32,244	1,290,470
Payroll Taxes Payable	18,964		18,964
Unearned Revenue	301,929	11,042	312,971
Accrued Interest	19,000		19,000
Noncurrent Liabilities			
Due Within One Year	720,000		720,000
Due Beyond One Year	1,225,314		1,225,314
Net Pension Liability	4,360,580		4,360,580
<b>Total Liabilities</b>	<u>7,904,013</u>	<u>43,286</u>	<u>7,947,299</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	500,372		500,372
Total Deferred Outflows of Resources	<u>500,372</u>	<u>-</u>	<u>500,372</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,835,047	94,580	7,929,627
Restricted for:			
Capital Projects	1,739,124		1,739,124
Maintenance Reserve	479,308		479,308
Unemployment Claims	351,841		351,841
Other Purposes	2,784,770		2,784,770
Scholarships	29,314		29,314
Student Activities	96,638		96,638
Unrestricted (Deficit)	(5,183,271)	572,833	(4,610,438)
<b>Total Net Position (Deficit)</b>	<u>\$ 8,132,771</u>	<u>667,413</u>	<u>8,800,184</u>

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

**PITMAN SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

Function/Programs	Expenses	Indirect Costs Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	4,316,061	3,185,415	53,945	(1,762,544)	(9,210,075)	-	(9,210,075)
Special Education	2,879,590	2,096,490	46,613	515,931	(4,413,536)		(4,413,536)
Other Special Instruction	641,140	466,568		(258,160)	(1,365,868)		(1,365,868)
Support Services:							
Tuition	1,473,957	-			(1,473,957)		(1,473,957)
Student & Instruction Related Services	3,443,067	1,906,993		728,966	(4,621,094)		(4,621,094)
General Administration and Business Services	436,114	230,079		(9,108)	(675,301)		(675,301)
School Administrative Services	714,853	403,910		(15,989)	(1,134,752)		(1,134,752)
Plant Operation and Maintenance	3,205,077	1,059,811	223,535	437,558	(3,603,795)		(3,603,795)
Pupil Transportation	692,183	390,568		(15,461)	(1,098,212)		(1,098,212)
Central Services	256,914	145,559		(5,762)	(408,235)		(408,235)
Unallocated Benefits	9,885,393	(9,885,393)			-		-
Interest on Long-Term Debt	37,071				(37,071)		(37,071)
Total Governmental Activities	27,981,420	-	324,093	(384,569)	(28,041,896)	-	(28,041,896)
Business-Type Activities:							
Food Service	572,995		259,550	228,723		(84,722)	(84,722)
Before/After School (Panther Club)	162,445		185,719			23,274	23,274
Total Business-Type Activities	735,440	-	445,269	228,723	-	(61,448)	(61,448)
Total Primary Government	28,716,860	-	769,362	(155,846)	(28,041,896)	(61,448)	(28,103,344)
General Revenues:							
			Taxes:				
			Property Taxes, Levied for General Purposes				
			Taxes Levied for Debt Service				
			Federal and State Aid not Restricted				
			Investment Earnings				
			Restricted Revenue				
			Miscellaneous Income				
			Special Items:				
			Prior Year Receivables Canceled				
			Extraordinary Items and Transfers				
			Total General Revenues, Special Items, Extraordinary Items and Transfers				
			Change in Net Position				
			Net Position (Deficit) - Beginning				
			Net Position (Deficit) - Ending				

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

## **FUND FINANCIAL STATEMENTS**

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**PITMAN SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,000,412	\$ 123,524	\$ 3,123,936
Tax Levy Receivable	2,742,493		2,742,493
Due from Other Funds	339,832		339,832
Intergovernmental Accounts Receivable			
Federal		697,938	697,938
State	205,333	100,723	306,056
Other Receivables	1,702		1,702
Total Assets	<u>6,289,772</u>	<u>922,185</u>	<u>7,211,957</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	949,314	308,912	1,258,226
Due to Other Funds		339,832	339,832
Payroll Taxes Payable	18,964		18,964
Unearned Revenue		301,929	301,929
Total Liabilities	<u>968,278</u>	<u>950,673</u>	<u>1,918,951</u>
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	644,620		644,620
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	-		-
Capital Reserve	1,739,124		1,739,124
Maintenance Reserve	479,308		479,308
Unemployment Claims	351,841		351,841
Student Activities		96,638	96,638
Scholarships		29,314	29,314
Assigned to:			
Designated for			
Subsequent Year's Expenditures	1,213,569		1,213,569
Other Purposes	926,581		926,581
Unassigned			
General Fund	(33,549)		(33,549)
Special Revenue Fund		(154,440)	(154,440)
	<u>5,321,494</u>	<u>(28,488)</u>	<u>5,293,006</u>
Total Liabilities and Fund Balances	<u>\$ 6,289,772</u>	<u>\$ 922,185</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  
\$26,289,965 and the accumulated depreciation is \$16,973,694.

9,316,271

Deferred Inflows of Resources - Loss on Refunding Bond  
Issue is not a resource in the funds and therefore not reported  
as a debit in the funds.

76,520

Internal service funds are used by the School District to charge related services  
other school district's. The assets and liabilities of the internal service fund  
are included in governmental activities.

118,632

Interest on long-term debt in the statement of activities is accrued,  
regardless of when due.

(19,000)

Pension Liabilities Net of Deferred Outflows & Inflows

(4,707,344)

Long-term liabilities, including bonds and capital lease payable,  
are not due and payable in the current period and therefore are not reported  
as liabilities in the funds.

(1,945,314)

Net Position of governmental activities

8,132,771

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

**PITMAN SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 15,642,450		429,684	16,072,134
Tuition Charges	100,558			100,558
Interest Earned on Investments	68,908			68,908
Other Restricted Miscellaneous Revenues	29,318			29,318
Miscellaneous	78,947	278,301		357,248
Total Local Sources	15,920,181	278,301	429,684	16,628,166
State Sources	12,017,580	1,681,407	329,916	14,028,903
Federal Sources	6,526	1,000,214		1,006,740
Total Revenues	27,944,287	2,959,922	759,600	31,663,809
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	6,090,496			6,090,496
Special Education Instruction	2,332,524	1,675,957		4,008,481
Other Special Instruction	892,077			892,077
Support Services:				
Tuition	1,473,957			1,473,957
Student & Instruction Related Serv.	2,737,481	959,405		3,696,886
General Administrative Services	439,911			439,911
School Administrative Services	772,275			772,275
Plant Operation and Maintenance	1,975,632			1,975,632
Pupil Transportation	746,765			746,765
Central Services	278,309			278,309
Unallocated Employee Benefits	9,889,155			9,889,155
Debt Service:				
Principal			700,000	700,000
Interest and Other Charges	2,213		59,600	61,813
Capital Outlay	1,079,612	479,511		1,559,123
Total Expenditures	28,710,407	3,114,873	759,600	32,584,880
Excess (Deficiency) of Revenues Over Expenditures	(766,120)	(154,951)	-	(921,071)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in		128,700	-	128,700
Transfer out	(128,700)			(128,700)
Total Other Financing Sources and Uses	(128,700)	128,700	-	-
Net Changes in Fund Balance	(894,820)	(26,251)	-	(921,071)
Fund Balance - July 1	6,216,314	(2,237)	-	6,214,077
Fund Balance - June 30	\$ 5,321,494	(28,488)	-	5,293,006

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

**PITMAN SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**

Total Net Change in Fund Balance - Governmental Funds (from B-2) (921,071)

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

Capital outlays are reported in governmental funds as expenditures.

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

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

Depreciation expense	(756,335)	
Amortization expense	(76,081)	
Capital Outlay	878,736	46,320

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

Principal Repayments:		
Bonds Payable		700,000
Lease Liability		-
Subscription Liability		76,081

Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.

Amortization of Bond Premium	51,334	
Amortization of Gain on Refunding Bonds	(38,259)	13,075

Governmental funds report district pension contributions as expenditures.

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

District pension contributions - PERS	402,367	
Cost of benefits earned net of employee contributions	150,817	553,184

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

3,762

The Internal Service Fund is used by the School District to charge the cost of Related Services to other Districts. The activity of this fund is included in the Statement of Activities.

118,632

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

(40,217)

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

11,667

Change in Net Position of Governmental Activities

561,433

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

**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2024**

	Business-Type Activities - Enterprise Fund			Governmental Activities Building Rental - Elk BOE
	Food Service	Before/After School	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	418,098	168,252	586,350	118,632
Intergovernmental Accounts Receivable			-	
Federal	5,946		5,946	
State	594		594	
Other	13,220		13,220	
Inventories	10,009		10,009	
Total Current Assets	<u>447,867</u>	<u>168,252</u>	<u>616,119</u>	<u>118,632</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	398,630		398,630	
Less: Accumulated Depreciation	<u>(304,050)</u>		<u>(304,050)</u>	
Total Noncurrent Assets	<u>94,580</u>	<u>-</u>	<u>94,580</u>	<u>-</u>
Total Assets	<u><u>542,447</u></u>	<u><u>168,252</u></u>	<u><u>710,699</u></u>	<u><u>118,632</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	31,784	460	32,244	
Unearned Revenue	11,042		11,042	
Total Current Liabilities	<u>42,826</u>	<u>460</u>	<u>43,286</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets				
Related Debt	94,580	-	94,580	
Unrestricted	405,041	167,792	572,833	118,632
Total Net Position	<u><u>499,621</u></u>	<u><u>167,792</u></u>	<u><u>667,413</u></u>	<u><u>118,632</u></u>

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



**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund			Governmental Activities Building Rental - Elk BOE
	Food Service	Before/After School	Totals Enterprise	
Operating Revenues:				
Charges for Services:				
Reimbursable Program Daily Sales	\$ 126,876	-	126,876	
Non-Reimbursable Program Daily Sales	127,216		127,216	
Special Functions	5,458		5,458	
Miscellaneous			-	
Program Revenue		185,719	185,719	223,535
Total Operating Revenue	259,550	185,719	445,269	223,535
Operating Expenses:				
Cost of Sales-Reimbursable	146,384		146,384	
Cost of Sales- Non Reimbursable	44,773		44,773	
Salaries and Wages	206,660	142,345	349,005	104,903
Fringe Benefits	24,216	10,890	35,106	
Purchased Professional/Technical Services	28,500		28,500	
Other Purchased Services (400-500 series)	6,760	4,252	11,012	
Supplies and Materials	23,627	3,799	27,426	
Depreciation	86,621		86,621	
Miscellaneous	5,454	1,159	6,613	
Total Operating Expenses	572,995	162,445	735,440	104,903
Operating (Loss)	(313,445)	23,274	(290,171)	118,632
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	11,873		11,873	
State School Breakfast Program	1,249		1,249	
Federal Sources:				
National School Lunch Program	110,489		110,489	
School Breakfast Program	19,371		19,371	
Food Distribution Program	54,559		54,559	
Pandemic EBT Administrative Costs	653		653	
COVID-19 - Supply Chain	30,529		30,529	
Prior Year Receivables Collected	84,283		84,283	
Total Nonoperating Revenues (Expenses)	313,006	-	313,006	-
Changes in Net Position	(439)	23,274	22,835	118,632
Total Net Position - Beginning	500,060	144,518	644,578	
Total Net Position - Ending	\$ 499,621	167,792	667,413	118,632

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

**PITMAN SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund			Governmental Activities Building Rental - Elk BOE
	Food Service	Latchkey	Totals Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Other Income	\$ 256,636	\$ 185,719	\$ 442,355	223,535
Payments to Suppliers	(168,472)	(9,568)	(178,040)	
Payments for Employees and Benefits	(230,876)	(153,235)	(384,111)	(104,903)
Net Cash Provided by Operating Activities	<u>(142,712)</u>	<u>22,916</u>	<u>(119,796)</u>	<u>118,632</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	12,923		12,923	
Federal Sources	247,102		247,102	
Net Cash Provided by Noncapital Financing Activities	<u>260,025</u>	<u>-</u>	<u>260,025</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest and Dividends		-	-	-
Purchase of Equipment	<u>(13,342)</u>	<u>-</u>	<u>(13,342)</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>(13,342)</u>	<u>-</u>	<u>(13,342)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	103,971	22,916	126,887	118,632
Balance - Beginning of Year	314,127	145,336	459,463	
Balance - End of Year	<u>\$ 418,098</u>	<u>\$ 168,252</u>	<u>\$ 586,350</u>	<u>\$ 118,632</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income	(313,445)	23,274	(290,171)	118,632
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Net Amortization	86,621		86,621	
Food Distribution Program	54,559		54,559	
(Increase) Decrease in Inventories	2,168		2,168	
(Increase) Decrease in Accounts Receivable	(4,796)		(4,796)	
Increase (Decrease) in Accounts Payable	30,299	(358)	29,941	
Increase (Decrease) in Unearned Revenue	1,882		1,882	
Total Adjustments	<u>170,733</u>	<u>(358)</u>	<u>170,375</u>	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (142,712)</u>	<u>\$ 22,916</u>	<u>\$ (119,796)</u>	<u>\$ 118,632</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

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

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

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

**A. REPORTING ENTITY**

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

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

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

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

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

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

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

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

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

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

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

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

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

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

The following fund types are used by the School District:

**1. Governmental Funds:**

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

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

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

### **Fund Balances – Governmental Funds**

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

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 School 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 School District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

### **2. Proprietary Funds:**

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

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

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

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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



**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**2. Investments:**

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

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the School District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2024, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	8,458
Supplies		<u>1,551</u>
	\$	<u><u>10,009</u></u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2024 is \$0.

**4. Capital Assets:**

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

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

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

**5. Revenues:**

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**6. Expenditures:**

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

**7. Compensated Absences:**

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

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

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

**8. Interfund Activity:**

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

**9. Budgets/Budgetary Control:**

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

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

Regular Programs - Instruction	
Grades 1-5 Salaries of Teachers	\$ 172,669
Grades 6-8 Salaries of Teachers	(1,213,169)
Grades 9-12 Salaries of Teachers	981,830
Undist. Expend. - Instruction	
Tuition to Private Schools for the Disabled	
Within State	185,710
Undist. Expend. - Extraordinary Services	
Purchased Professional-Educational	170,501
Unallocated Benefits - Employee Benefits	
Health Benefits	(388,133)
Capital Outlay	
Construction Services	319,526

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

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

**10. Tuition Receivable:**

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

**11. Tuition Payable:**

Tuition charges for the fiscal years 2023/24 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates:**

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

**13. Allocation of Costs:**

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**F. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2024:

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the School District's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2024, and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2024.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2024.

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

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

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

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, and all reporting periods, thereafter, will not have any significant effect on the School District's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the School District's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the School District's financial reporting.

**NOTE 2 – CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2024, \$556,673 of the School District's bank balance of \$4,042,524 was exposed to custodial credit risk.

**NOTE 3 - INVESTMENTS**

As of June 30, 2024, the District had no investments:

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

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

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

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2024, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Business-Type Activities Financial Statements	Government Wide Financial Statements
State Aid	\$ 306,056	\$ 594	\$ 306,650
Federal Aid	697,938	5,946	703,884
Borough of Pitman	2,742,493		2,742,493
Other	1,702	13,220	14,922
Gross Receivables	3,748,189	19,760	3,767,949
Less: Allowance for Uncollectibles			
Total Receivables, Net	\$ 3,748,189	\$ 19,760	\$ 3,767,949

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2024, interfunds remained on the various balance sheets as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 339,832	\$
Special Revenue Fund		339,832
	\$ 339,832	\$ 339,832

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Disposals/ Adjustments	Balance June 30, 2024
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 101,593	\$ -	\$ -	\$ 101,593
Construction in Progress	604,001	-	-	604,001
Total capital assets not being depreciated	<u>705,594</u>	<u>-</u>	<u>-</u>	<u>705,594</u>
Capital assets being depreciated:				
Land Improvements	939,111	48,050	-	987,161
Buildings and building improvements	21,208,324	103,349	-	21,311,673
Equipment	2,558,200	727,337	-	3,285,537
Total capital assets being depreciated at	<u>24,705,635</u>	<u>878,736</u>	<u>-</u>	<u>25,584,371</u>
Less accumulated depreciation for:				
Land Improvements	(905,655)	(7,522)	-	(913,177)
Buildings and improvements	(13,416,768)	(577,642)	-	(13,994,410)
Equipment	(1,894,936)	(171,171)	-	(2,066,107)
Total accumulated depreciation	<u>(16,217,359)</u>	<u>(756,335)</u>	<u>-</u>	<u>(16,973,694)</u>
Governmental activity capital assets, net	<u>\$ 9,193,870</u>	<u>\$ 122,401</u>	<u>\$ -</u>	<u>\$ 9,316,271</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 385,288	\$ 13,342	\$ -	\$ 398,630
Less accumulated depreciation	(217,429)	(86,621)	-	(304,050)
Enterprise Fund capital assets, net	<u>167,859</u>	<u>(73,279)</u>	<u>-</u>	<u>94,580</u>
Grand Total	<u>\$ 9,361,729</u>	<u>\$ 49,122</u>	<u>\$ -</u>	<u>\$ 9,410,851</u>

Depreciation expense was charged to governmental functions:

Regular Instruction	\$ 26,714
Special Education Instruction	6,471
Other Special Instruction	1,734
Student and Instruction Related Services	2,079
General Administration	33,370
School Administrative Services	7,825
Plant Operations and Maintenance	667,513
Pupil Transportation	8,510
Central Services	2,119
	<u>\$ 756,335</u>

:

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$59,600, for the entity wide statements this was modified by the change in accrued interest of (\$11,667); amortization of premium on bond sale of (\$51,334); amortization of gain on refunding \$38,259 and the state charge back to the School District for debt service aid of \$2,213 for a total charge of \$37,071.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
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**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Issues or Additions	Payments or Expenditures	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 1,980,000	\$	\$ 700,000	\$ 1,280,000	\$ 720,000
Subscription Liabilities	76,081		76,081	-	
Unamortized Bond Premiums	154,004		51,334	102,670	
Compensated Absences	347,353	192,671	152,454	387,570	
Other Post-Employment Benefits	178,836		3,762	175,074	
Net Pension Liability	4,740,666		380,086	4,360,580	
	<u>\$ 7,476,940</u>	<u>\$ 192,671</u>	<u>\$ 1,363,717</u>	<u>\$ 6,305,894</u>	<u>\$ 720,000</u>

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

**Bonds Payable**

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

At June 30, 2024 bonds payable consisted of the following issues:

\$5,860,000 Refunding Bonds dated June 2, 2016, due in annual installments through August 1, 2025, bearing interest at rates ranging from 3.00% to 4.00%. The balance remaining as of June 30, 2024, is \$1,280,000.

Debt service requirements on serial bonds payable at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 720,000.00	\$ 31,200.00	\$ 751,200.00
2026	<u>560,000.00</u>	<u>8,400.00</u>	<u>568,400.00</u>
	<u>\$ 1,280,000.00</u>	<u>\$ 39,600.00</u>	<u>\$ 1,319,600.00</u>

**Financed Purchases Payable**

The School District entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of their inception. The district has determined the accumulated amortization to be immaterial to the government-wide financial statements and has elected to record the remaining payments in full. The lease was paid in full during FY 2024.

**NOTE 8 – UNEARNED REVENUE**

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$312,971. This consists of unearned revenue of \$301,929 in the special revenue fund which is made up of grant proceeds on hand where the grant period overlaps the district's fiscal year and \$11,042 in the food service fund for student meals prepaid.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 9 – PENSION PLANS**

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has employees enrolled in the Defined Contribution Retirement Program (DCRP) for the fiscal year ended June 30, 2024.



**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2024, 2023 and 2022 were \$5,418,215, \$5,306,836 and \$5,241,897 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2024, 2023 and 2022 were \$402,367, \$396,134, and \$361,312 respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2024, was \$14,586,796. The TPAF covered payroll for the years ending June 30, 2024, 2023 and 2022 were \$10,285,619, \$11,537,022, and \$11,695,361. and the PERS covered payroll was \$2,255,704, \$2,372,787, and \$2,299,571.

During the fiscal years ended June 30, 2024, 2023 and 2022, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$754,919, \$844,350, and \$856,052, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB standards.

*Vesting and Benefit Provisions* - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Significant Legislation*

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

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

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

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

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

The following represents the School District's pension liabilities as June 30, 2023:

**Public Employees’ Retirement System**

The School District has a liability of \$4,360,580 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 that was rolled forward to June 30, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion is 0.03010540920%, which is a decrease of 4.16% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2023, the District recognized negative pension expense of \$150,817. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 41,693	\$ (17,825)
Changes of assumptions	9,579	(264,270)
Net difference between projected and actual earnings on pension plan investments	20,081	-
Changes in proportion	82,255	(218,277)
Total	<u>\$ 153,608</u>	<u>\$ (500,372)</u>

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

Year ended June 30,	
2025	\$ (378,819)
2026	(211,442)
2027	295,476
2028	(52,879)
2029	899
Total	<u>\$ (346,764)</u>

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 5,258,210	\$ 4,360,580	\$ 3,597,407

*Pension plan fiduciary net position.*

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

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

At June 30, 2023, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

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

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

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>51,738,239</u>
Total	<u>\$ 51,738,239</u>

The net pension liability was measured as of June 30, 2023 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2023, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$1,271,058 and revenue of \$1,271,058 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2023 actuarial valuation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 4.25% (based on years of service)
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

***Discount rate.***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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

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benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	-	-
State's proportionate share of the net position liability associated with the District	\$ 61,008,772.40	51,738,239.00	43,930,246.48

*Pension plan fiduciary net position.*

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

**Additional Information**

Collective balances of the local group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 241,548,676
Deferred inflows of resources	(14,741,373,312)
Net pension liability	51,109,961,824

Collective pension expense for the plan for the measurement period ended June 30, 2023 is \$1,255,623,033.

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

**General Information about the OPEB Plan**

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

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



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

*Total OPEB Liability*

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

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2023, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

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

*Mortality Rates*

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

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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 were based on the Pub-2020 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Balance at 6/30/23 (Based on 6/30/2022 measurement date)	\$ 50,646,262,966
Changes for the year:	
Service cost	2,136,235,476
Interest	1,844,113,951
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	(980,424,863)
Changes in assumptions or other inputs	105,539,463
Contributions: Member	47,258,104
Benefit payments	<u>(1,437,516,858)</u>
Net changes	<u>1,715,205,273</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 52,361,468,239</u>

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

The following presents the total OPEB liability as of June 30, 2023, respectively, calculated using a discount rate as disclosed above as well as what the total non-employer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

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	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB Liability	\$ 61,385,066,712.00	\$ 52,361,668,239.00	\$ 45,116,926,835.00

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

The following presents the total OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 43,468,257,358.00	\$ 52,361,668,239.00	\$ 63,998,719,320.00

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$771,416 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,639,717,639.00	\$ (13,791,541,217.00)
Changes in assumptions	7,445,895,322.00	(14,449,948,556.00)
	<u>\$ 15,085,612,961.00</u>	<u>\$ (28,241,489,773.00)</u>

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

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Year Ended June 30,	
2024	\$ (2,611,225,301.00)
2025	(2,611,225,301.00)
2026	(2,269,523,460.00)
2027	(1,338,024,839.00)
2028	(273,877,609.00)
Thereafter	(4,052,000,302.00)
	<u>\$ (13,155,876,812.00)</u>

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

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

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

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

**Funding Policy** - Retirees contribute \$25 per month towards their healthcare premiums, which cover medical, prescription drug, and vision benefits. The rest of the premiums are paid by the Board. The individual contribution requirements of the healthcare plan were established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2024 the School District contributed \$28,839 to the plan for current premiums.

As of June 30, 2024, there were 2 retirees receiving post-retirement healthcare benefits under this plan.

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

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

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

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

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

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

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

**Monthly Per Capita Claims Cost –**

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

Future premium rates are assumed to increase with trend.

**Demographic Assumptions**

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

**Retirement Rates – N/A**

**Withdrawal – N/A**

**Participation Rates N/A**

**Spousal/Dependent Coverage – None**

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

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

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

**Methods**

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

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

	6/30/2024	6/30/2023
Total OPEB Liability at beginning of year	\$ 178,836	312,980
Changes for the year:		
Service cost	0	0
Interest cost	6,001	9,945
Benefit payments	(28,839)	(32,200)
Administrative expenses	0	0
Actuarial assumption changes	(2,423)	(2,656)
Actuarial demographic (gain) or loss	21,499	(109,233)
Net changes	(3,762)	(134,144)
Total OPEB Liability at end of year	<u>\$ 175,074</u>	<u>\$ 178,836</u>
Change in plan fiduciary net position		
Employer contributions	28,839	32,200
Benefit payments	(28,839)	(32,200)
Net OPEB at end of year	\$ 175,074	\$ 178,836
Net OPEB liability at end of year calculated using a discount rate that is:		
1-Percentage-point higher	167,368	170,413
1-Percentage-point lower	183,330	187,903
Net OPEB liability at end of year calculated using a healthcare cost trend rate that is		
1-Percentage-point higher	182,318	186,833
1-Percentage-point lower	168,149	171,224

**NOTE 13 – COMPENSATED ABSENCES**

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable fund's total liabilities, and therefore is not shown separately from the long-term liability of compensated absences. The amount as of June 30, 2024 was \$387,570.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Food Service Enterprise Fund.

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**NOTE 14 – DEFERRED COMPENSATION**

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

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

**NOTE 15 – CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023		\$ 2,376,064
Deposits		
Interest earned	\$ 432	
Deposits approved by Board	-	
Return of Unspent Funds	549,628	
		<u>550,060</u>
Withdrawals:		
Budget Withdrawals		<u>(1,187,000)</u>
Ending balance, June 30, 2024		<u><u>\$ 1,739,124</u></u>

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 16 – MAINTENANCE RESERVE ACCOUNT**

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

The activity of the Maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$	536,308
Increased by:		
Return of Unspent Funds		<u>-</u>
Decreased by:		
Budget Withdrawals		<u>(57,000)</u>
Ending balance, June 30, 2024	\$	<u><u>479,308</u></u>

**NOTE 17 – COMMITMENTS**

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

Fund	Amount
General Fund Encumbered Orders	\$ 926,581

Of the general fund encumbrances, \$620,303 is for capital outlay.

**NOTE 18 – RISK MANAGEMENT**

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

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

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



**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ 25,613	\$ 3,705	\$ 56,430	\$ 351,841
2022-2023	27,135	1,650	25,840	378,953
2021-2022	36,212	358	11,224	376,008

**NOTE 19 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 20 – FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$5,321,494 General Fund - Fund balance, at June 30, 2024, \$926,581 is reserved for encumbrances; \$644,620 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$0 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025), \$1,739,124 has been reserved in the Capital Reserve Account; \$479,308 has been reserved in a Maintenance Reserve Account; \$351,841 has been reserved in Unemployment Claims; and (\$33,549) is classified as Unassigned.

**Special Revenue Fund** – Of the (\$28,488) Special Revenue Fund, Fund Balance as of June 30, 2024, \$96,638 is restricted for Student Activities and \$29,314 is restricted for Scholarships and (\$154,440) is classified as Unassigned.

**NOTE 21 – CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund - fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 was \$644,620.

**NOTE 22 – LITIGATION**

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

**NOTE 23 – ECONOMIC DEPENDENCY**

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

**PITMAN BOROUGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

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

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

- Education Software
- Various desktop and server software subscriptions

The total of the School District's subscription's assets are recorded at a cost of \$283,414, less accumulated amortization of \$283,414. The subscription was paid off during FY 2024.

**NOTE 25 – SUBSEQUENT EVENT**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2024 through December 13, 2024, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**Bond Referendum** – On January 28, 2025, the voters will get an opportunity to approve or deny two separate Bond Referendums. Bond Proposal #1 in the amount of \$14.220 Million for improvements and renovations to the Elementary and Junior/Senior High school buildings within the School District. Bond Proposal #2 in the amount of \$7.032 Million for improvements and renovations to the Elementary and Junior/Senior High school buildings within the School District. Proposal #2 will only go into effect if Bond Proposal #1 is also approved by the voters at this election. The State of New Jersey will provide up to 40% to the district in the form of Debt Service Aid which will offset the Principal and Interest Payments that the School District will make on these Bonds. If the referendum is successful, it is anticipated that the applicable work will begin sometime in the Summer of 2025 and the Bonds totaling \$21.252 Million will be sold prior to that.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

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## **Budgetary Comparison Schedules**

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**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 15,642,450		\$ 15,642,450	\$ 15,642,450	
Tuition from Individuals	95,000		95,000	53,945	(41,055)
Tuition from Other LEAS				46,613	46,613
Interest Earned on Investments			-	68,476	68,476
Interest Earned on Capital Reserve	50		50	432	382
Other Restricted Miscellaneous Revenues				29,318	29,318
Unrestricted Miscellaneous	199,931		199,931	78,947	(120,984)
Total Local Sources	15,937,431	-	15,937,431	15,920,181	(17,250)
State Sources:					
Categorical Special Education Aid	925,239		925,239	925,239	
Security Aid	142,285		142,285	142,285	
Transportation Aid	148,522		148,522	148,522	
Equalization Aid	4,292,268		4,292,268	4,292,268	
Extraordinary Aid	150,000		150,000	167,779	17,779
TPAF Pension (On-Behalf - Non-Budgeted)				4,258,350	4,258,350
TPAF Post-retirement (On-Behalf - Non-Budgeted)				1,158,967	1,158,967
TPAF Long Term Disability Insurance				898	898
TPAF Social Security (Reimbursed- Non-Budgeted)				754,919	754,919
Total State Sources	5,658,314	-	5,658,314	11,849,227	6,190,913
Federal Sources:					
Medicaid Reimbursement	38,412		38,412	6,526	(31,886)
Medicaid SEMI COVID-19					-
Total Federal Sources	38,412	-	38,412	6,526	(31,886)
Total Revenues	21,634,157	-	21,634,157	27,775,934	6,141,777

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	270,006	95,079	365,085	359,790	5,295
Grades 1 - 5 Salaries of Teachers	1,977,359	172,669	2,150,028	2,131,885	18,143
Grades 6 - 8 Salaries of Teachers	1,378,921	(1,213,169)	165,752	143,579	22,173
Grades 9 - 12 Salaries of Teachers	1,935,170	981,830	2,917,000	2,882,734	34,266
Regular Programs - Home Instruction					
Salaries of Teachers	10,000		10,000	1,336	8,664
Purchased Professional - Educational Services	10,000	2,520	12,520	1,029	11,491
Regular Programs - Undistributed Instruction					
Purchased Technical Services	329,791	2,173	331,964	286,295	45,669
Other Purchased Services (400-500 series)	62,957	844	63,801	51,478	12,323
General Supplies	330,435	(97,842)	232,593	192,240	40,353
Textbooks	75,190	(26,200)	48,990	30,610	18,380
Other Objects	1,650	9,520	11,170	9,520	1,650
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>6,381,479</b>	<b>(72,576)</b>	<b>6,308,903</b>	<b>6,090,496</b>	<b>218,407</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities					
Salaries of Teachers	343,334	26,852	370,186	362,616	7,570
Other Salaries for Instruction	137,120	(10,686)	126,434	116,864	9,570
General Supplies	3,760		3,760	708	3,052
Textbooks	500		500		500
Miscellaneous Expenditures	3,000		3,000		3,000
<b>Total Multiple Disabilities</b>	<b>487,714</b>	<b>16,166</b>	<b>503,880</b>	<b>480,188</b>	<b>23,692</b>
Resource Room/Resource Center					
Salaries of Teachers	1,467,963	30,074	1,498,037	1,456,485	41,552
Other Salaries for Instruction	212,980	56,670	269,650	262,092	7,558
General Supplies	3,850	(552)	3,298	1,291	2,007
Textbooks	1,625		1,625	756	869
<b>Total Resource Room/Resource Center</b>	<b>1,686,418</b>	<b>86,192</b>	<b>1,772,610</b>	<b>1,720,624</b>	<b>51,986</b>



**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Special Education - Preschool Disabled Part-time					
Other Salaries for Instruction	24,708	6,212	30,920	22,502	8,418
Total Preschool Disabled Part-time	24,708	6,212	30,920	22,502	8,418
Special Education - Preschool Disabled Full-time					
Other Salaries for Instruction		7,768	7,768	7,250	518
Total Preschool Disabled Full-time	-	7,768	7,768	7,250	518
Special Education - Home Instruction					
Salaries of Teachers		54,090	54,090	54,090	-
Purchased Professional - Educational Services	15,000		15,000	2,870	12,130
Miscellaneous Expenditures	45,000		45,000	45,000	-
Total Home Instruction	60,000	54,090	114,090	101,960	12,130
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,258,840	170,428	2,429,268	2,332,524	96,744
Basic Skills/Remedial - Instruction					
Salaries of Teachers	225,379	(4,412)	220,967	215,782	5,185
General Supplies	1,950		1,950	129	1,821
Textbooks	10,408	(5,000)	5,408	39	5,369
Total Basic Skills/Remedial - Instruction	237,737	(9,412)	228,325	215,950	12,375
Bilingual Education - Instruction					
Salaries of Teachers	91,079	1,240	92,319	92,319	317
General Supplies	1,000		1,000	683	1,000
Textbooks	1,000		1,000		
Total Bilingual Education - Instruction	93,079	1,240	94,319	93,002	1,317

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
School-Spon. Cocurricular Activities - Instruction					
Salaries	98,000	6,333	104,333	85,861	18,472
Purchased Professional Services	1,250		1,250	314	936
Other Purchased Services (400-500 series)	17,410		17,410	2,874	14,536
Supplies & Materials	2,000		2,000		2,000
Miscellaneous Expenditures	82,832	(4,256)	78,576	32,677	45,899
Total School-Spon. Cocurricular Activities - Inst.	201,492	2,077	203,569	121,726	81,843
School-Spon. Cocurricular Athletics - Instruction					
Salaries	370,371	(31,626)	338,745	338,745	
Other Purchased Services (400-500 series)	66,812	(5,570)	61,242	60,918	324
Supplies & Materials	25,600	14,474	40,074	36,614	3,460
Other Objects	22,099	3,034	25,133	25,122	11
Total School-Spon. Cocurricular Athletics - Inst.	484,882	(19,688)	465,194	461,399	3,795
<b>TOTAL INSTRUCTION</b>	<b>9,657,509</b>	<b>72,069</b>	<b>9,729,578</b>	<b>9,315,097</b>	<b>414,481</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular		28,575	28,575	28,575	
Tuition to Other LEAs Within the State-Special	69,288	(24,036)	45,252	45,252	
Tuition to County Voc. School Dist. - Regular	181,440	(5,599)	175,841	160,097	15,744
Tuition to County Voc. School Dist. - Special	25,920	(6,190)	19,730	19,730	
Tuition to CSSD & Regional Day Schools	211,025	(96,964)	114,061	114,061	
Tuition to Private Schools for the Disabled -					
Within State	832,039	141,533	973,572	973,572	
Tuition to State Facilities	45,000	(45,000)	-		
Tuition Other	136,000	(3,330)	132,670	132,670	
Total Undistributed Expenditures - Instruction	1,500,712	(11,011)	1,489,701	1,473,957	15,744

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undistributed Expend. - Health Services					
Salaries	212,702	14,109	226,811	226,811	
Other Salaries for Instruction	33,278	4,806	38,084	38,084	
Purchased Professionals - Educational Services	74,000	(62,894)	11,106	10,489	617
Supplies & Materials	4,400		4,400	1,458	2,942
Total Undistributed Expend. - Health Services	324,380	(43,979)	280,401	276,842	3,559
Undist. Expend. - Speech, PT, OT & Related Services					
Salaries	245,830	(3,827)	242,003	241,681	322
Purchased Professionals - Educational Services	112,500	(29,137)	83,363	83,363	-
Purchased Technical Services	1,000	(1,000)	-		-
Supplies & Materials	3,100	(2,000)	1,100	692	408
Total Undist. Expend. - Speech, PT, OT & Rel. Svcs	362,430	(35,964)	326,466	325,736	730
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	82,514	5,271	87,785	86,410	1,375
Purchased Professional-Educational Services	243,494	170,501	413,995	408,054	5,941
Total Undist. Expend. - Other Support Services					
Students - Extraordinary Services	326,008	175,772	501,780	494,464	7,316
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	464,739	(28,437)	436,302	431,996	4,306
Salaries of Secretarial and Clerical Assistants	59,969	2,090	62,059	61,559	500
Other Purchased Prof. And Tech. Services	7,025	1,153	8,178	8,178	-
Other Purchased Services (400-500 series)	1,200	(310)	890	60	830
Supplies & Materials	4,600	(1,656)	2,944	867	2,077
Other Objects	850	(475)	375	300	75
Total Undistributed Expend. - Guidance	538,383	(27,635)	510,748	502,960	7,788
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	381,368	118,746	500,114	500,114	-
Salaries of Secretarial and Clerical Assistants	58,769	2,460	61,229	60,509	720
Other Purchased Prof. And Tech. Services	39,843	(14,209)	25,634	25,634	
Miscellaneous Purchased Services (400-500 series)	1,500	(1,500)	-		
Supplies & Materials	3,468	(2,864)	604	59	545
Total Undist. Expend. - Child Study Teams	484,948	102,633	587,581	586,316	1,265

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	113,392	4,404	117,796	113,658	4,138
Salaries of Sec and Clerical Assist.	114,818	3,600	118,418	118,417	1
Other Salaries	9,360	(3,900)	5,460	4,294	1,166
Supplies & Materials	1,543	432	1,975	1,975	
Other Objects	2,900	(1,726)	1,174	949	225
Total Undist. Expend. - Improvement of Inst. Serv.	242,013	2,810	244,823	239,293	5,530
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	90,478	(16,283)	74,195	71,865	2,330
Other Salaries for Instruction	15,654	4,447	20,101	17,306	2,795
Salaries Technology Coordinator	197,466	4,820	202,286	200,129	2,157
Other Purchased Services (400-500 series)	500		500		500
Supplies & Materials	13,560	(7,223)	6,337	1,672	4,665
Other Objects	200		200		200
Total Undistributed Expenditures - Educational Media Services - School Library	317,858	(14,239)	303,619	290,972	12,647
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff		4,894	4,894	4,893	1
Other Salaries	936		936	120	816
Purchased Professional - Educational Services	13,125	(700)	12,425	12,425	
Other Purchased Services (400-500 series)	9,000	(2,518)	6,482	3,460	3,022
Total Undistributed Expenditures - Instructional Staff Training Services	23,061	1,676	24,737	20,898	3,839

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries of Other Professional Staff	156,000		156,000	156,000	
Salaries of Secr and Clerical Assist.	72,452	2,318	74,770	74,770	
Legal Services	50,000	(31,286)	18,714	18,714	
Audit Fees	32,500		32,500	32,500	
Other Purchased Professional Services	38,350	(32,126)	6,224	6,224	
Purchased Technical Services	22,820		22,820	22,480	340
Communications/Telephone	50,687	(5,243)	45,444	43,981	1,463
Misc. Purch Serv (400-500) [Other than 530 & and; 585]	70,312	75,926	146,238	63,836	82,402
BOE Other Purchased Services	2,250	1,030	3,280	3,280	
General Supplies	8,500	(7,840)	660	260	400
Miscellaneous Expenditures	6,700	551	7,251	7,251	-
BOE Membership Dues/Fees	11,445	(551)	10,894	10,615	279
Total Undistr. Expend. - Support Svs - Gen.Admin.	522,016	2,779	524,795	439,911	84,884
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Asst.	626,954	(93,858)	533,096	532,702	394
Salaries of Secretarial Asst.	197,616	11,186	208,802	208,802	
Purchased Professional - Educational Services	800	(490)	310		310
Purchased Professional and Technical Services	4,100	3,603	7,703	7,644	59
Other Purchased Services (400-500 series)	10,650	(7,982)	2,668	891	1,777
Supplies and Materials	18,600		18,600	17,303	1,297
Other Objects	19,200		19,200	4,933	14,267
Total Undistributed Expenditures - Support Services - School Administration	877,920	(87,541)	790,379	772,275	18,104
Undist. Expend. - Central Services					
Salaries of Other Professional Staff	102,850	18,165	121,015	121,015	
Salaries of Secr and Clerical Assist.	117,134	3,748	120,882	120,882	
Purchased Technical Services	22,668	5,380	28,048	28,048	
Miscellaneous Purchased Services (400-500 series)	16,250	(14,687)	1,563	1,562	1
Supplies and Materials	6,000	(3,177)	2,823	2,823	
Interest-Lease Purchase	5,422	(5,422)	-		
Miscellaneous Expenditures	4,640	(661)	3,979	3,979	
Total Undistributed Expenditures - Central Services	274,964	3,346	278,310	278,309	1

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Required Maint. School Fac. Cleaning, Repair and Maintenance Services	159,300	6,490	165,790	152,728	13,062
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>159,300</u>	<u>6,490</u>	<u>165,790</u>	<u>152,728</u>	<u>13,062</u>
Custodial ServicesOther Oper. & Maint.of Plant					
Salaries	381,338	33,844	415,182	332,525	82,657
Salaries of Other Professional Staff	80,000	2,560	82,560	82,560	
Other Salaries	357,787	34,742	392,529	373,324	19,205
Purchased Professional and Technical Services	8,000	17	8,017	8,010	7
Cleaning, Repair and Maintenance Services	55,800	(600)	55,200	26,544	28,656
Insurance	138,337		138,337	138,337	
Miscellaneous Purchased Services	308,588	(75,536)	233,052	182,329	50,723
General Supplies	110,100	(5,000)	105,100	85,101	19,999
Natural Gas	200,000	(2,196)	197,804	124,555	73,249
Energy (Electricity)	250,000	64,884	314,884	314,884	
Other Objects	8,100		8,100	2,464	5,636
Total Undistributed Expenditures - Custodial Services	<u>1,898,050</u>	<u>52,715</u>	<u>1,950,765</u>	<u>1,670,633</u>	<u>280,132</u>
Undist. Expend- Care & Upkeep of Grounds					
General Supplies	22,000	2,685	24,685	24,431	254
Total Care and Upkeep of Grounds	<u>22,000</u>	<u>2,685</u>	<u>24,685</u>	<u>24,431</u>	<u>254</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	94,500	59,693	154,193	125,540	28,653
Cleaning, Repair and Maintenance Services		2,300	2,300	2,300	
General Supplies	15,000	(8,170)	6,830		6,830
Total Security	<u>109,500</u>	<u>53,823</u>	<u>163,323</u>	<u>127,840</u>	<u>35,483</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>2,188,850</u>	<u>115,713</u>	<u>2,304,563</u>	<u>1,975,632</u>	<u>328,931</u>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Cleaning, Repair and Maintenance Services	5,000		5,000	415	4,585
Contr. Serv. - (Btn Home & School) - Vendors	39,000	2,901	41,901	41,901	
Contr. Serv. - (Other than Btn Home & School) - Vendors	162,050	(14,132)	147,918	89,380	58,538
Contr. Serv. - (Btn Home & School) - Joint Agrmt	10,000	(6,076)	3,924		3,924
Contr. Serv. - (Special Ed Students) - Vendors	300,000	153,409	453,409	446,497	6,912
Contr. Serv. - (Special Ed Students) - Joint Agreements	140,000	73,488	213,488	168,522	44,966
Transportation Supplies	15,000	(11,783)	3,217		3,217
Miscellaneous Expenditures	1,400		1,400	50	1,350
Total Undistributed Expenditures - Student Transportation Services	<u>672,450</u>	<u>197,807</u>	<u>870,257</u>	<u>746,765</u>	<u>123,492</u>
Unallocated Benefits - Employee Benefits					
Group Insurance	16,037	(706)	15,331	4,978	10,353
Social Security Contribution	388,500	(5,228)	383,272	287,944	95,328
Other Retirement Contributions - PERS	400,000	16,591	416,591	416,591	-
Unemployment		4,153	4,153		4,153
Workmen's Compensation	164,127		164,127	164,127	-
Health Benefits	3,390,398	(388,133)	3,002,265	2,629,788	372,477
Tuition Reimbursement	50,000		50,000	12,668	37,332
Other Employee Benefits	320,000	(1,332)	318,668	196,912	121,756
Unused Sick Payment to Terminated/Retired Staff	50,000		50,000	3,013	46,987
Total Unallocated Benefits	<u>4,779,062</u>	<u>(374,655)</u>	<u>4,404,407</u>	<u>3,716,021</u>	<u>688,386</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	-	-	-	4,258,350	(4,258,350)
On-Behalf TPAF Post-retir. Contribution (non-bud)	-	-	-	1,158,967	(1,158,967)
On-Behalf TPAF Long Term Disability Insurance	-	-	-	898	(898)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	754,919	(754,919)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,173,134</u>	<u>(6,173,134)</u>
Total Personal Services - Employee Benefits	<u>4,779,062</u>	<u>(374,655)</u>	<u>4,404,407</u>	<u>9,889,155</u>	<u>(5,484,748)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>13,435,055</u>	<u>7,512</u>	<u>13,442,567</u>	<u>18,313,485</u>	<u>(4,870,918)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>23,092,564</u>	<u>79,581</u>	<u>23,172,145</u>	<u>27,628,582</u>	<u>(4,456,437)</u>

**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Grades 9-12		84,107	84,107	84,105	2
Undistributed Exp. - Required Maintenance	57,000	13,674	70,674		70,674
Undistributed Exp. - Custodial	10,000	(6,126)	3,874	3,874	-
Undistributed Exp. - Security		34,735	34,735	34,735	-
Total Equipment	67,000	126,390	193,390	122,714	70,676
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	80,000		80,000	76,620	3,380
Construction Services	1,107,000	319,526	1,426,526	880,278	546,248
Assessment for Debt Service on SDA Funding	2,213		2,213	2,213	
Total Facilities Acquisition and Construction Services	1,189,213	319,526	1,508,739	959,111	549,628
<b>TOTAL CAPITAL OUTLAY</b>	1,256,213	445,916	1,702,129	1,081,825	620,304
<b>TOTAL EXPENDITURES</b>	24,348,777	525,497	24,874,274	28,710,407	(3,836,133)



**PITMAN SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,714,620)</u>	<u>(525,497)</u>	<u>(3,240,117)</u>	<u>(934,473)</u>	<u>2,305,644</u>
Other Financing Sources/(Uses):					
Operating Transfers:					
Transfer to Special Revenue Fund	128,700		128,700	128,700	-
Total Other Financing Sources/(Uses):	<u>128,700</u>	<u>-</u>	<u>128,700</u>	<u>128,700</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,843,320)</u>	<u>(525,497)</u>	<u>(3,368,817)</u>	<u>(1,063,173)</u>	<u>2,305,644</u>
Fund Balance July 1	<u>6,889,314</u>		<u>6,889,314</u>	<u>6,889,314</u>	<u>-</u>
Fund Balance June 30	<u>\$ 4,045,994</u>	<u>\$ (525,497)</u>	<u>\$ 3,520,497</u>	<u>\$ 5,826,141</u>	<u>\$ 2,305,644</u>
Recapitulation:					
Restricted Fund Balance:				\$ -	
Excess Surplus - Designated for Subsequent Year's Expenditures				644,620	
Excess Surplus - Current Year				1,739,124	
Capital Reserve				479,308	
Maintenance Reserve				351,841	
Unemployment Claims					
Assigned Fund Balance:					
Year-End Encumbrances				926,581	
Designated for Subsequent Year's Expenditures				1,213,569	
Unassigned Fund Balance					
General Fund				<u>471,098</u>	
				<u>5,826,141</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				<u>(504,647)</u>	
				<u>\$ 5,321,494</u>	

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources	\$ 128,700	351,179	\$ 479,879	\$ 404,572	\$ (75,307)
State Sources	1,758,491	52,408	1,810,899	1,730,381	(80,518)
Federal Sources	954,173	332,924	1,287,097	1,135,893	(151,204)
<b>Total Revenues</b>	<b>2,841,364</b>	<b>736,511</b>	<b>3,577,875</b>	<b>3,270,846</b>	<b>(307,029)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	788,011	(61,293)	726,718	714,491	12,227
Other Salaries for Instruction	179,152	(7,735)	171,417	167,957	3,460
Purchased Professional - Educational Services	20,000		20,000	20,000	
Purchased Technical Services	16,875	38,112	54,987	18,797	36,190
Other Purchased Services (400-500 series)	250,630	123,084	373,714	347,109	26,605
General Supplies	91,875	420,078	511,953	497,759	14,194
Other Objects	22,875	(12,898)	9,977	9,774	203
<b>Total Instruction</b>	<b>1,369,418</b>	<b>499,348</b>	<b>1,868,766</b>	<b>1,775,887</b>	<b>92,879</b>
Support Services:					
Other Salaries	388,373	46,108	434,481	332,701	101,780
Personal Services - Employee Benefits	208,072	42,224	250,296	209,107	41,189
Purchased Professional - Educational Services	9,000	390	9,390	9,341	49
Other Professional Services	31,435	(28,803)	2,632	2,632	
Purchased Professional Technical Services	38,129	38,129	38,129	33,680	4,449
Other Purchased Services (400-500 series)	44,750	47,305	92,055	63,931	28,124
General Supplies	104,801	(28,054)	76,747	49,265	27,482
Scholarships Awarded		12,198	12,198	44,552	(32,354)
Student Activities		338,981	338,981	206,802	132,179
Other Objects	4,000		4,000	3,170	830
<b>Total Support Services</b>	<b>790,431</b>	<b>468,478</b>	<b>1,258,909</b>	<b>955,181</b>	<b>303,728</b>
Facilities Acquisition & Construction Services:					
Building	506,608	(212,939)	293,669	291,714	1,955
Instructional Equipment	50,966	13,587	64,553	56,568	7,985
Non-Instructional Equipment	123,941	43,037	166,978	166,978	-
<b>Total Expenditures</b>	<b>681,515</b>	<b>(156,315)</b>	<b>525,200</b>	<b>515,260</b>	<b>9,940</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>\$ 2,841,364</b>	<b>\$ 811,511</b>	<b>\$ 3,652,875</b>	<b>\$ 3,246,328</b>	<b>\$ 406,547</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ (75,000)</b>	<b>\$ (75,000)</b>	<b>\$ 24,518</b>	<b>\$ 99,518</b>
<b>Fund Balance, July 1</b>				<b>101,434</b>	
<b>Fund Balance, June 30</b>				<b>125,952</b>	

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

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**PITMAN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2024**

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

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 27,775,934	3,270,846
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		6,140
Current Year		(137,595)
The Final State Aid payment for the Year Ended June 30, 2023 that was delayed until July 2023 was recorded as budgetary revenue for the Year Ended June 30, 2023 but is not recognized under GAAP until the Year Ended June 30, 2024.	673,000	103,671
The Final State Aid payment for the Year Ended June 30, 2024 that was delayed until July 2024 was recorded as budgetary revenue for the Year Ended June 30, 2024 but is not recognized under GAAP until the Year Ended June 30, 2025.	(504,647)	(154,440)
	<u>27,944,287</u>	<u>3,088,622</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	28,710,407	3,246,328
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		
Prior Year		6,140
Current Year		(137,595)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 28,710,407</u>	<u>3,114,873</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0301054092%	0.0314130781%	0.0308500000%	0.0311800000%	0.0308300000%	0.0323000000%	0.0332000000%	0.0337500000%	0.0359700000%	0.0334800000%
District's proportionate of the net pension liability (asset)	\$ 4,360,580	\$ 4,740,666	\$ 3,654,874	\$ 5,084,844	\$ 5,554,745	\$ 6,359,142	7,727,411	9,997,076	8,074,530	6,267,638
District's covered payroll	\$ 2,255,704	\$ 2,372,787	\$ 2,299,571	\$ 2,228,481	\$ 2,223,613	\$ 2,382,131	2,419,120	2,473,296	2,169,341	2,397,778
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	193.31%	199.79%	158.94%	228.18%	249.81%	266.95%	319.43%	404.20%	372.21%	261.39%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	402,367	396,134	361,312	341,107	299,866	321,252	307,522	299,869	309,425	275,972
Contributions in relation to the contractually required contribution	<u>402,367</u>	<u>396,134</u>	<u>361,312</u>	<u>341,107</u>	<u>299,866</u>	<u>321,252</u>	<u>307,522</u>	<u>299,869</u>	<u>309,425</u>	<u>275,972</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	2,255,704	2,372,787	2,299,571	2,228,481	2,223,613	2,382,131	2,419,120	2,473,296	2,169,341	2,397,778
Contributions as a percentage of covered-employee payroll	17.84%	16.69%	15.71%	15.31%	13.49%	13.49%	12.71%	12.12%	14.26%	11.51%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	51,738,239	52,504,600	52,900,560	75,393,914	72,127,135	73,117,940	76,729,139	88,360,329	72,899,425	58,357,528
<b>Total</b>	<b>\$ 51,738,239</b>	<b>\$ 52,504,600</b>	<b>\$ 52,900,560</b>	<b>\$ 75,393,914</b>	<b>\$ 72,127,135</b>	<b>\$ 73,117,940</b>	<b>\$ 76,729,139</b>	<b>88,360,329</b>	<b>72,899,425</b>	<b>58,357,528</b>
District's covered payroll	10,285,619	11,537,022	11,695,361	11,259,384	12,275,856	12,962,070	12,944,897	12,643,235	12,200,614	12,003,103
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	73,981,292	\$ 71,191,760	\$ 85,139,059	\$ 97,382,442	\$ 61,045,630	\$ 68,442,370	\$ 79,096,716
<b>Total</b>	<b>\$ 73,981,292</b>	<b>\$ 71,191,760</b>	<b>\$ 85,139,059</b>	<b>\$ 97,382,442</b>	<b>\$ 61,045,630</b>	<b>\$ 68,442,370</b>	<b>\$ 79,096,716</b>
District's covered payroll	\$ 13,792,726	\$ 14,068,148	\$ 13,558,955	\$ 14,504,337	\$ 15,190,551	\$ 15,327,028	\$ 15,062,355
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	2,326,203	3,138,244	3,786,474	2,227,216	2,249,485	2,482,595	3,000,040
Interest Cost	2,605,531	1,886,660	2,208,597	2,186,028	2,700,923	2,889,190	2,508,233
Differences between Expected & Actual	(327,035)	1,934,466	(16,548,537)	15,779,104	(11,438,972)	(6,405,154)	
Change in Benefit Terms			(90,620)				
Changes in Assumptopns	149,116	(19,097,828)	83,996	17,788,426	910,195	(7,854,104)	(10,531,209)
Member Contributions	66,771	59,952	56,463	51,386	55,548	63,252	67,461
Benefit Payments	(2,031,054)	(1,868,793)	(1,739,756)	(1,695,348)	(1,873,919)	(1,830,125)	(1,832,048)
Change in Total Opeb Liability	2,789,532	(13,947,299)	(12,243,383)	36,336,812	(7,396,740)	(10,654,346)	(6,787,523)
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	71,191,760	85,139,059	97,382,442	61,045,630	68,442,370	79,096,716	85,884,239
Ending Balance	73,981,292	71,191,760	85,139,059	97,382,442	61,045,630	\$ 68,442,370	\$ 79,096,716
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	536.38%	506.05%	627.92%	671.40%	401.87%	446.55%	525.13%

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

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

## **OTHER SUPPLEMENTARY INFORMATION**

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**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Building Capacity Comprehensive	Local Recreation Grant 2021	Scholarship Funds	Student Activity	High-impact Tutoring	CRRSA/ ESSER II	CRRSA/ Learning Acceleration	CRRSA/ Mental Health
<b>REVENUES:</b>								
Local Sources	\$ 160,601	50,000	48,641	227,231	\$			
State Sources					20,322	37,395	2,035	31
Federal Sources								
Total Revenues	160,601	50,000	48,641	227,231	20,322	37,395	2,035	31
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	8,640					1,751	1,475	
Other Salaries for Instruction								
Purchased Professional - Educational Services								
Purchased Technical Services	2,550				14,570	1,287		
Other Purchased Services (400-500 series)	2,375							
General Supplies	122,044				3,352	23,135	170	31
Other Objects	3,892							
Total Instruction	139,501	-	-	-	17,922	26,173	1,645	31
Support Services:								
Salaries of Other Professional Staff					2,400			
Personal Services - Employee Benefits	613						390	
Purchased Professional - Educational Services	-							
Other Professional Services								
Purchased Technical Services								
Other Purchased Services (400-500 series)	3,177							
General Supplies	1,971							
Scholarships Awarded			44,552	206,802				
Student Activities								
Total Support Services	5,761	-	44,552	206,802	2,400	-	390	-
Capital Outlay:								
Building		50,000				11,222		
Instructional Equipment	10,789							
Non-Instructional Equipment	4,550							
Total Capital Outlay	15,339	50,000	-	-	-	11,222	-	-
Total Expenditures	160,601	50,000	44,552	206,802	20,322	37,395	2,035	31
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	- \$	-	4,089 \$	20,429 \$	-	- \$	- \$	-
Fund Balance, July 1			25,225	76,209				
Fund Balance, June 30	\$	-	29,314 \$	96,638				

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	ARP ESSER	ARP ESSER Homeless	ARP ESSER Beyond School	ARP Learning Acceleration	ARP IDEA Basic	ARP IDEA Preschool
<b>REVENUES:</b>						
Local Sources	\$	\$	\$	\$		
State Sources	418,142	1,579	13,530	94,918	38,472	4,454
Federal Sources	418,142	1,579	13,530	94,918	38,472	4,454
Total Revenues						
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional - Educational Services		390				
Purchased Technical Services		1,189				
Other Purchased Services (400-500 series)	133,739			94,918	32,783	
General Supplies						
Other Objects						
Total Instruction	133,739	1,579	-	94,918	32,783	-
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional - Educational Services						
Other Professional Services						
Purchased Technical Services	12,000		12,500			
Other Purchased Services (400-500 series)			1,030			
General Supplies						
Scholarships Awarded						
Student Activities						
Total Support Services	12,000	-	13,530	-	-	-
Capital Outlay:						
Building	230,492					4,454
Instructional Equipment	13,208				5,689	
Non-Instructional Equipment	28,703					
	272,403	-	-	-	5,689	4,454
Total Expenditures	418,142	1,579	13,530	94,918	38,472	4,454
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, July 1						
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Preschool Education	Local Recreation Grant 2023	Title IIA	Title IV	Title I Part A	IDEA Part B	IDEA Preschool	Totals 2024
<b>REVENUES:</b>								
Local Sources	\$ 128,700		\$				\$	404,572
State Sources	1,469,057	50,723						1,730,381
Federal Sources			22,514	12,036	114,882	343,545	12,038	1,135,893
Total Revenues	1,597,757	50,723	22,514	12,036	114,882	343,545	12,038	3,270,846
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	591,501				111,124			714,491
Other Salaries for Instruction	155,919						12,038	167,957
Purchased Professional - Educational Services	20,000							20,000
Purchased Technical Services								18,797
Other Purchased Services (400-500 series)	74,882			8,947	3,758	343,545		347,109
General Supplies	5,882							497,759
Other Objects								9,774
Total Instruction	848,184	-	-	8,947	114,882	343,545	12,038	1,775,887
Support Services:								
Salaries of Other Professional Staff	316,301		12,000	2,000				332,701
Personal Services - Employee Benefits	208,494							209,107
Purchased Professional - Educational Services	8,951							9,341
Other Professional Services	2,632							2,632
Purchased Technical Services				580				33,680
Other Purchased Services (400-500 series)	10,031	50,723						63,931
General Supplies	43,841		1,914	509				49,265
Scholarships Awarded								44,552
Student Activities								206,802
Other Objects	3,170							3,170
Total Support Services	593,420	50,723	22,514	3,089	-	-	-	955,181
Capital Outlay:								
Building								
Instructional Equipment	28,117							291,714
Non-Instructional Equipment	128,036							56,568
Total Capital Outlay	156,153	-	-	-	-	-	-	166,978
Total Expenditures	1,597,757	50,723	22,514	12,036	114,882	343,545	12,038	3,246,328
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	24,518
Fund Balance, July 1								101,434
Fund Balance, June 30								125,952

**PITMAN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Total		
	Budgeted	Actual	Variance
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 591,501	591,501	\$ -
Other Salaries for Instruction	155,919	155,919	
Purchased Professional - Educational Services	20,000	20,000	
General Supplies	74,882	74,882	
Other Objects	5,882	5,882	
Total Instruction	<u>848,184</u>	<u>848,184</u>	
Support Services:			
Salaries Supervisor of Instruction	14,015		14,015
Salaries of Principals/Program Directors	56,881	49,589	7,292
Salaries of Other Professional Staff	187,902	175,552	12,350
Salaries of Secretarial and Clerical Assistants	28,944	24,068	4,876
Other Salaries	17,976	2,740	15,236
Salaries of Family/Parent Liason	25,971		25,971
Salaries of Facilitators and Coaches	64,352	64,352	
Personal Services - Employee Benefits	214,684	208,494	6,190
Purchased Professional Educational Services	9,000	8,951	49
Purchased Professional Services	2,632	2,632	
Miscellaneous Purchased Services	13,868	10,031	3,837
Supplies	70,313	43,841	26,472
Other Objects	4,000	3,170	830
Total Support Services	<u>710,538</u>	<u>593,420</u>	<u>117,118</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	34,091	28,117	5,974
Non-Instructional Equipment	128,036	128,036	-
Total Facilities Acquisition and Construction Ser.	<u>162,127</u>	<u>156,153</u>	<u>5,974</u>
Total Expenditures	<u>\$ 1,720,849</u>	<u>\$ 1,597,757</u>	<u>\$ 123,092</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2023-24 Preschool Aid Allocation	\$ 1,544,400
Adjustments	
Add: Actual ECPA Carryover June 30, 2023	216,309
Add: Budgeted Transfer from the General Fund	128,700
Total Preschool Education Aid Funds Available for 2023-24 Budget	<u>1,889,409</u>
Less: 2023-24 Budgeted Preschool Education Aid	<u>(1,720,849)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	<u>168,560</u>
Add: June 30, 2024 Unexpended Preschool Education Aid	123,092
2023-24 Actual Carryover - Preschool Education Aid	<u>\$ 291,652</u>
2023-24 Preschool Education Aid Carryover Budgeted for 2024-25	<u>\$ 142,368</u>

## **LONG-TERM DEBT SCHEDULES**

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**PITMAN SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2024**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance June 30, 2023	Decreased	Balance June 30, 2024
			Date	June 30, 2024 Amount				
Refunding Bond Issue	6/2/2016	\$ 5,860,000	8/1/2024	720,000	4.000%	\$ 1,980,000	\$ 700,000	\$ 1,280,000
			8/1/2025	560,000	3.000%			
						<u>\$ 1,980,000</u>	<u>\$ 700,000</u>	<u>\$ 1,280,000</u>

**PITMAN SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 429,684		\$ 429,684	\$ 429,684	\$ -
State Sources:					
Debt Service Aid	329,916		329,916	329,916	
Total Revenues	759,600	-	759,600	759,600	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	700,000		700,000	700,000	-
Interest on Bonds	59,600		59,600	59,600	-
Total Regular Debt Service	759,600	-	759,600	759,600	-
Total Expenditures	759,600	-	759,600	759,600	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -



**PITMAN SCHOOL DISTRICT**  
**Schedule of Obligations Under Subscription-Based Information Technology Arrangements**  
**As of June 30, 2024**

Description	Date of Lease	Amount of Original Issue	Balance June 30, 2023	Issued Current Year	Retired Current Year	Balance June 30, 2024
WAN Interconnect	6/1/2021	123,589	\$ 41,197		41,197	\$ -
Xtel Phone	6/1/2021	34,452	11,484		11,484	-
DNS	6/1/2021	70,200	23,400		23,400	-
			<u>\$ 76,081</u>	<u>-</u>	<u>\$ 76,081</u>	<u>-</u>

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## **Statistical Section**

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

Exhibit J-1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets		2,705,438	3,137,319	3,754,777	3,768,939	4,275,969	4,867,692	5,113,610	6,995,809	7,835,047
Restricted	2,440,263	1,912,414	1,670,905	1,467,283	1,540,256	2,738,724	3,852,406	4,429,831	3,392,759	5,480,995
Unrestricted	(7,227,828)	(7,397,530)	(8,288,057)	(9,231,961)	(9,239,296)	(9,000,060)	(7,794,716)	(5,144,834)	(2,817,230)	(5,183,271)
Total governmental activities net position	(2,332,466)	(2,779,678)	(3,479,833)	(4,009,901)	(3,930,101)	(1,985,367)	925,382	4,398,607	7,671,338	8,132,771
<b>Business-type activities</b>										
Net investment in capital assets		31,477	29,547	40,601	42,807	37,418	137,003	161,301	167,859	94,590
Unrestricted	267,509	325,946	345,080	351,451	330,042	301,396	583,661	681,810	476,719	572,833
Total business-type activities net position	303,415	357,423	374,627	392,052	372,849	338,814	720,664	843,111	644,578	667,413
<b>District-wide</b>										
Net investment in capital assets		2,736,915	3,166,866	3,795,378	3,811,746	4,313,387	5,004,695	5,274,911	7,163,668	7,929,627
Restricted	2,440,263	1,912,414	1,670,905	1,467,283	1,540,256	2,738,724	3,852,406	4,429,831	3,392,759	5,480,995
Unrestricted	(6,960,319)	(7,071,584)	(7,942,977)	(8,880,510)	(8,909,254)	(8,698,664)	(7,211,055)	(4,463,024)	(2,340,511)	(4,610,438)
Total district net position	(2,023,053)	(2,422,255)	(3,105,206)	(3,617,946)	(3,557,252)	(1,646,553)	1846,046	5,241,718	8,215,916	8,801,184

Source: ACFR Schedule A-1

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

Exhibit J-2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	7,304,641	7,668,672	7,431,757	7,461,427	7,664,583	6,938,228	7,444,779	7,051,272	8,512,985	7,501,476
Special education	3,252,223	3,331,472	3,297,304	3,210,417	3,199,857	2,979,855	2,889,151	3,117,736	4,987,498	4,976,080
Other special education	316,196	422,095	453,889	366,814	338,491	384,171	214,195	233,930	873,391	1,107,708
Other instruction	516,624	542,216	560,819	526,524	523,674	480,841	441,113	549,217		
Support Services:										
Tuition										
Student & instruction related services	3,375,730	3,571,093	3,602,913	3,838,421	4,160,948	4,089,777	4,082,311	3,979,359	1,043,402	1,473,957
General Administration and Central Services	720,747	745,457	730,597	807,951	793,318	766,550	838,414	776,406	5,501,565	5,350,060
School Administration Services	1,229,376	1,215,352	1,223,249	1,217,743	1,205,480	1,235,785	1,237,982	1,240,049	1,111,926	1,118,763
Plant operations and maintenance	1,986,009	1,965,852	2,090,673	1,871,951	1,840,107	1,700,203	1,847,535	1,861,292	1,035,902	1,068,666
Pupil transportation	498,680	360,491	393,572	579,614	684,708	323,162	257,147	344,316	2,617,799	4,264,888
Unallocated benefits	6,098,670	7,023,925	8,152,236	11,712,507	11,023,085	9,359,248	17,812,512	8,495,868	977,191	1,082,751
Transfer to Charter Schools								81,587		-
Interest on long-term debt	336,273	235,119	212,370	173,622	151,414	131,607	141,437	87,068	56,927	37,071
Capital Outlay	140,456	256,009	152,660	35,903	186,837	53,428				
Unallocated depreciation	570,309	568,753	502,443	510,677	520,816	502,958	542,051	608,654		
Total governmental activities expenses	26,345,934	27,907,106	28,804,482	32,313,571	32,293,318	28,925,813	37,748,627	28,426,774	27,318,586	27,981,420
Business-type activities:										
Food service	460,104	454,741	456,671	401,622	418,849	391,601	722,825	667,012	651,143	572,995
Before/After School	188,460	210,492	179,465	204,702	196,731	190,389	120,356	173,104	158,987	162,445
Preschool	94,470	98,249	101,331	102,152	102,579	107,943	102,580			
Total business-type activities expenses	743,034	763,482	737,467	708,476	718,159	689,933	945,761	840,116	810,130	735,440
Total district expenses	27,088,968	28,670,588	29,541,949	33,022,047	33,011,477	29,615,746	38,694,388	29,266,890	28,128,716	28,716,860
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions							68,141	142,352	183,685	324,093
Capital grants and contributions	607,981	623,109	598,661	599,358	575,643	603,429	10,614,959	6,520,650	(316,874)	(384,569)
Total governmental activities program revenues	607,981	623,109	598,661	599,358	575,643	603,429	10,683,100	6,663,002	(133,189)	(60,476)
Business-type activities:										
Charges for services:										
Food service	183,346	177,004	205,098	194,184	207,576	156,589	553	14,981	277,134	259,550
Before/After School	228,383	265,614	229,717	198,926	189,171	150,189	46,318	107,811	152,000	185,719
Preschool	86,469	86,045	65,490	82,745	66,005	67,148	31,440			
Operating grants and contributions	154,456	147,827	151,700	159,111	156,204	163,972	1,179,322	839,771	244,517	228,723
Capital grants and contributions										
Total business-type activities program revenue	652,654	676,490	652,005	634,966	618,956	537,898	1,257,633	962,563	673,651	673,992
Total district program revenue	1,260,635	1,299,599	1,250,666	1,234,324	1,194,599	1,141,327	11,940,733	7,625,565	540,462	613,516
<b>Net (Expense)/Revenue</b>										
Governmental activities	(25,737,953)	(27,283,997)	(28,205,821)	(31,714,213)	(31,717,675)	(28,322,384)	(27,065,527)	(21,763,772)	(27,451,775)	(28,041,896)
Business-type activities	(90,380)	(86,992)	(85,462)	(73,510)	(99,203)	(152,035)	311,872	122,447	(136,479)	(61,448)
Total district-wide net expense	(25,828,333)	(27,370,989)	(28,291,283)	(31,787,723)	(31,816,878)	(28,474,419)	(26,753,655)	(21,641,325)	(27,588,254)	(28,103,344)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	12,572,652	12,824,105	13,080,587	13,530,733	13,883,866	14,314,010	14,600,290	14,892,296	15,190,141	15,642,450
Taxes levied for debt service	585,213	571,441	592,431	619,644	395,407	426,148	425,356	427,038	425,318	429,684
Unrestricted grants and contributions	12,858,137	13,206,525	13,660,517	13,986,766	17,184,928	15,340,441	13,892,737	9,529,320	14,797,261	12,354,022
Tuition revenue	162,656	170,507	113,190	165,712	250,835	109,247	183,287	257,948	2,945	29,318
Investment Earnings	16,627	13,351	10,430	12,077	9,877	11,250	10,309	6,017	30,502	68,908
Miscellaneous income	79,666	304,897	148,512	134,596	162,662	184,022	173,691	124,378	178,339	78,947
Other adjustments		(112,839)					(2,100)			
Transfers	(90,000)	(141,000)	(100,000)	(80,000)	(80,000)	(118,000)	(66,267)			-
Total governmental activities	26,184,951	26,836,787	27,505,667	28,369,528	31,797,775	30,267,118	29,217,303	25,236,987	30,624,506	28,603,329
Business-type activities:										
Investment earnings	90,000		100,000	80,000	80,000	118,000	66,267	-	-	-
Transfers	(5,504)	141,000		10,935			3,711		(62,054)	84,283
Other adjustments	84,496	141,000	102,686	90,935	80,000	118,000	69,976	-	162,054	84,283
Total business-type activities	26,269,447	26,977,787	27,608,333	28,460,463	31,877,775	30,385,118	29,287,281	25,236,987	30,562,452	28,687,612
Total district-wide										
Changes in Net Position										
Governmental activities	446,998	(447,210)	(700,154)	(3,344,685)	80,100	1,944,734	2,151,776	3,473,225	3,172,731	561,433
Business-type activities	(5,894)	54,008	17,204	17,425	(19,203)	(34,035)	381,850	122,447	(198,533)	22,635
Total district	441,114	(393,202)	(682,950)	(3,327,260)	60,897	1,910,699	2,533,626	3,595,672	2,974,198	584,268

Source: ACFR Schedule A-2

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

Exhibit J-3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Restricted	1,851,200	1,412,408	1,136,393	887,387	1,120,858	1,457,920	3,729,613	4,327,591	3,291,325	3,214,893
Assigned	456,249	449,240	492,603	538,320	419,731	1,281,137	420,025	949,647	2,124,865	2,140,150
Unassigned	(449,978)	(481,209)	(470,367)	(429,208)	(416,362)	(337,854)	74,308	886,018	800,124	(33,549)
<b>Total general fund</b>	<u>1,857,471</u>	<u>1,380,439</u>	<u>1,158,629</u>	<u>996,499</u>	<u>1,124,227</u>	<u>2,401,203</u>	<u>4,223,946</u>	<u>6,133,256</u>	<u>6,216,314</u>	<u>5,321,494</u>
<b>All Other Governmental Funds</b>										
Restricted:										
Capital Projects Fund										-
Special revenue fund							12,279	102,240	(2,237)	(28,488)
Debt Service Fund	132,814	50,766	41,909	41,576	(333)	(333)				
<b>Total all other governmental funds</b>	<u>132,814</u>	<u>50,766</u>	<u>41,909</u>	<u>41,576</u>	<u>(333)</u>	<u>(333)</u>	<u>12,279</u>	<u>102,240</u>	<u>(2,237)</u>	<u>(28,488)</u>

Source: ACFR Schedule B-1



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

Exhibit J-4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	13,157,865	13,395,546	13,673,018	14,150,377	14,269,273	14,740,158	15,025,646	15,319,334	15,615,459	16,072,134
Interest Earnings	16,627	13,351	10,430	12,077	9,977	11,250	10,309	6,017	30,502	68,908
Tuition charges	162,656	170,507	113,190	165,712	250,635	109,247	183,287	257,948	183,685	100,558
Miscellaneous	79,666	304,697	148,512	134,596	162,662	184,022	257,582	275,594	403,628	386,566
State sources	12,794,979	13,195,666	13,614,791	13,967,244	14,443,676	14,216,698	14,682,076	15,605,947	15,620,020	14,028,903
Federal sources	671,139	633,968	644,387	618,886	613,873	664,281	953,206	782,190	1,623,185	1,006,740
Total revenue	26,882,932	27,713,735	28,204,328	29,048,886	29,750,096	29,925,656	31,142,106	32,247,030	33,476,479	31,663,809
<b>Expenditures</b>										
Instruction:										
Regular instruction	7,453,380	7,804,277	7,593,815	7,593,400	7,807,983	7,116,145	7,440,496	7,051,272	6,693,258	6,090,496
Special education instruction	3,239,169	3,324,125	3,300,078	3,222,644	3,228,314	2,948,555	2,889,151	3,117,736	3,877,380	4,008,481
Other special education instruction	323,935	421,870	460,527	372,529	340,246	381,606	214,195	233,930	678,991	892,077
Other instruction	514,143	540,210	559,001	524,893	527,023	479,226	439,916	549,217		
Support Services:										
Tuition										
Student & instruction related services	3,355,580	3,576,867	3,573,797	3,799,394	4,130,590	4,014,246	4,049,780	3,979,359	1,043,402	1,473,957
General and Central administrative services	712,827	750,576	728,029	812,586	816,829	754,096	838,414	776,406	3,822,646	3,696,886
School administrative services	1,213,762	1,221,998	1,218,172	1,241,292	1,192,570	1,201,867	1,237,982	1,240,049	464,387	439,911
Plant operations and maintenance	1,976,080	1,961,619	2,063,275	1,837,030	1,827,892	1,690,660	1,833,900	1,856,999	1,189,496	772,275
Pupil transportation	498,680	360,491	393,572	579,614	684,708	323,162	257,147	344,316	1,855,500	1,975,632
Central services									678,981	746,765
Unallocated employee benefits	6,074,853	6,830,747	7,231,358	7,878,846	8,260,237	8,611,969	9,135,438	10,169,524	255,388	278,309
Charter schools								81,587	10,202,063	9,889,155
Capital outlay	285,344	368,456	307,132	360,774	1,236,320	340,118	510,991	200,790	1,982,293	1,559,123
Debt service:										
Principal	790,000	815,000	900,000	830,000	580,000	600,000	620,000	645,000	665,000	700,000
Interest and other charges	335,192	299,062	155,650	198,861	175,400	153,350	134,163	112,088	89,113	61,813
Total Expenditures	26,772,945	28,275,298	28,484,406	29,251,863	30,808,112	28,605,000	29,601,573	30,358,273	33,497,898	32,584,860
Excess (Deficiency) of revenues over (under) expenditures	109,987	(561,563)	(280,078)	(202,977)	(1,058,016)	1,320,656	1,540,533	1,888,757	(21,419)	(921,071)
<b>Other Financing Sources (Uses)</b>										
Transfer in										
Transfer out	(90,000)	(141,000)	(100,000)	(80,000)	(80,000)	(118,000)	(66,267)	-	189,126	128,700
Capital Lease	138,243	143,482							(189,126)	(128,700)
Total other financing sources (uses)	48,243	2,482	(100,000)	(80,000)	(80,000)	(118,000)	(66,267)	-	-	-
Net change in fund balances	158,230	(559,081)	(380,078)	(282,977)	(1,138,016)	1,202,656	1,474,266	1,888,757	(21,419)	(921,071)
Debt service as a percentage of noncapital expenditures	4.25%	3.99%	3.75%	3.56%	2.55%	2.67%	2.59%	2.51%	2.39%	2.46%

Source: ACFR Schedule B.2

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

Fiscal Year Ended June 30,	Prior Year Refund	Gate Receipts	Rentals	SREC's	Shared Service	E-Rate	Miscellaneous	Totals
2015	1,670	12,031	12,463	51,660			1,842	\$ 79,666
2016	3,719	13,281	8,500	218,476			60,721	304,697
2017	1,334	11,405	-	73,827		48,267	13,679	148,512
2018	8,756	4,007	2,500	62,812		55,670	851	134,596
2019	4,440	7,164	4,301	92,032		50,039	4,686	162,662
2020	18,979	13,661	3,106	95,770		35,989	16,517	184,022
2021	5,937	1,771	25	77,134	12,150	53,415	8,404	158,836
2022	1,629	10,672	5,450	53,707		17,754	9,820	99,032
2023	36,267	13,161	1,810	102,647		11,700	12,754	178,339
2024		15,460				19,500	43,987	78,947

Source: District Records

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

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
2015	2,158,200	502,983,700	225,800	14,100	41,687,600	15,289,200	15,790,300	578,148,900	585,442	578,734,342	2.259	624,599,842
2016	1,973,300	503,624,700	225,800	14,300	40,188,500	10,678,800	15,790,300	572,495,700	603,264	573,098,964	2.316	600,466,502
2017	1,942,900	503,301,600	225,800	14,300	38,804,000	8,678,800	15,790,300	568,757,700	562,862	569,320,562	2.378	604,981,815
2018	1,942,900	503,579,700	225,800	14,300	38,591,300	8,678,800	15,790,300	568,823,100	563,436	569,386,536	2.443	603,110,372
2019	2,122,800	504,094,800	225,800	11,400	38,535,500	8,678,800	15,790,300	569,459,400	566,544	570,025,944	2.493	598,200,471
2020	2,093,900	504,185,600	225,800	11,400	38,148,300	8,678,800	15,790,300	569,134,100		569,134,100	2.549	607,005,449
2021	1,876,500	504,601,200	225,800	11,100	38,210,800	8,002,000	15,790,300	568,717,700		568,717,700	2.617	623,419,729
2022	1,777,500	506,011,500	225,800	10,700	37,436,800	7,702,000	16,237,400	569,401,700		569,401,700	2.664	638,743,316
2023	1,774,000	711,282,900	273,400	10,700	38,978,600	13,489,000	23,872,600	789,681,200		789,681,200	1.959	679,803,236
2024	1,774,000	712,255,400	273,400	11,400	38,750,700	13,489,000	23,872,600	790,426,500		790,426,500	2.008	790,006,573

Source: County Abstract of Ratables & Municipal Tax Assessor

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

**Exhibit J-7**

Fiscal Year Ended June 30,	School District		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	Total Direct	Gloucester County	Municipal Local Purpose	
2015	\$ 2.259	2.259	0.664	0.962	3.885
2016	2.316	2.316	0.687	1.005	4.008
2017	2.378	2.378	0.715	1.026	4.119
2018	2.443	2.443	0.713	1.044	4.200
2019	2.493	2.493	0.717	1.043	4.253
2020	2.549	2.549	0.732	1.045	4.326
2021	2.617	2.617	0.765	1.048	4.430
2022	2.664	2.664	0.770	1.049	4.483
2023	1.959	1.959	0.550	0.758	3.267
2024	2.008	2.008	0.564	0.829	3.401

Source: District Records and Municipal Tax Collector

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

**Exhibit J-8**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AP Holly Court LLC	15,020,200	1	1.90%			
Lake Front LLC				7,369,200	1	1.27%
400 N. Woodbury Road LLC	8,500,000	2	1.08%	5,000,000	2	0.86%
Grandview Apts LLC	4,962,000	3	0.63%			
Lake Front LLC Suite 314				3,055,400	3	0.53%
Taxpayer #1				2,800,000	4	0.48%
Comet Tool Company	2,398,200	4	0.30%	2,047,000	5	0.35%
Vvandro LLC	2,200,000	5	0.28%			
Taxpayer #2	1,676,500	6	0.21%	1,927,000	7	0.33%
Pitman Garden Partners LLC	1,632,600	7	0.21%			
LCR Leasing Corp	1,412,400	8	0.18%	1,648,100	6	0.28%
US Bank Trust	1,378,900	9	0.17%			
Taxpayer #3	1,153,300	10	0.15%			
Taxpayer #4				1,335,200	8	0.23%
Taxpayer #5				1,303,700	9	0.23%
Taxpayer #6				1,188,000	10	0.21%
Totals	<u>\$ 40,334,100</u>		<u>5.10%</u>	<u>\$ 27,673,600</u>		<u>4.78%</u>
	District Assessed Value		\$ 790,426,500			\$ 578,734,342

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	13,157,865	13,157,865	100%	
2016	13,395,546	13,395,546	100%	
2017	13,673,018	13,673,018	100%	
2018	14,150,377	14,150,377	100%	
2019	14,269,273	14,269,273	100%	
2020	14,740,158	14,740,158	100%	
2021	15,025,646	15,025,646	100%	
2022	15,319,334	15,319,334	100%	
2023	15,615,459	15,615,459	100%	
2024	16,072,134	16,072,134	100%	

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	*
	General Obligation Bonds	Financing Leases	Bond Anticipation Notes (BANs)			
2015	7,654,000	126,382		\$ 7,780,382	1.77%	877
2016	6,820,000	140,532		6,960,532	1.55%	789
2017	5,920,000	146,457		6,066,457	1.31%	689
2018	5,090,000	129,191		5,219,191	1.09%	595
2019	4,510,000	1,186,488		5,696,488	1.15%	651
2020	3,910,000	822,157		4,732,157	0.90%	541
2021	3,290,000	605,071		3,895,071	0.71%	442
2022	2,645,000	408,874		3,053,874	0.55%	345
2023	1,980,000			1,980,000	N/A	223
2024	1,280,000	-		1,280,000	N/A	N/A

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2015	7,654,000	-	7,654,000	1.32%	49,622
2016	6,820,000	-	6,820,000	1.19%	50,788
2017	5,920,000	-	5,920,000	1.04%	52,729
2018	5,090,000	-	5,090,000	0.89%	54,646
2019	4,510,000	-	4,510,000	0.79%	56,853
2020	3,910,000	-	3,910,000	0.69%	60,386
2021	3,290,000	-	3,290,000	0.58%	62,553
2022	2,645,000	-	2,645,000	0.46%	62,405
2023	1,980,000	-	1,980,000	0.25%	n/a
2024	1,280,000	-	1,280,000	0.16%	n/a

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

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



**Pitman School District  
Direct and Overlapping Governmental Activities Bonded Debt,  
As of December 31, 2023 for overlapping debt**

**Exhibit J-12**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable</u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
<b>Debt Repaid with Property Taxes</b>			
Borough of Pitman	\$ 13,525,341	100.00%	\$ 13,525,341
<b>Other Debt</b>			
County of Gloucester	144,673,000	2.65%	3,835,565
Subtotal, Overlapping Debt			17,360,906
<b>Pitman School District Direct Debt</b>			1,280,000
<b>Total Direct and Overlapping Debt</b>			<b>\$ 18,640,906</b>

Sources: Borough of Pitman, County of Gloucester.

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

Exhibit J-13

Equalized valuation basis	
2023	\$ 892,778,419
2022	787,083,823
2021	674,646,564
	<u>\$ 2,354,508,806</u>

Average equalized valuation of taxable property \$ 784,836,269

Debt limit (4% of average)	31,393,451
Net bonded school debt	1,280,000
Legal debt margin	<u>\$ 30,113,451</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 26,787,126	\$ 25,324,584	\$ 2,448,978	\$ 24,094,029	\$ 23,980,967	\$ 24,256,788	\$ 24,804,335	\$ 25,741,045	\$ 27,956,579	\$ 31,393,451
Total net debt applicable to limit	7,654,000	6,820,000	5,920,000	5,090,000	4,510,000	3,910,000	3,290,000	2,645,000	1,980,000	1,280,000
Legal debt margin	<u>\$ 19,133,126</u>	<u>\$ 18,504,584</u>	<u>\$ (3,471,022)</u>	<u>\$ 19,004,029</u>	<u>\$ 19,470,967</u>	<u>\$ 20,346,788</u>	<u>\$ 21,514,335</u>	<u>\$ 23,096,045</u>	<u>\$ 25,976,579</u>	<u>\$ 30,113,451</u>

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

	28.57%	26.93%	241.73%	21.13%	18.81%	16.12%	13.26%	10.28%	7.08%	4.08%
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Source: Abstract of Ratables and District Records ACFR Schedule J-7

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

**Exhibit J-14**

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2015	8,868	440,047,896	49,622	5.4%
2016	8,818	447,848,584	50,788	4.5%
2017	8,801	464,067,929	52,729	4.0%
2018	8,779	479,737,234	54,646	3.8%
2019	8,747	497,293,191	56,853	3.5%
2020	8,753	528,558,658	60,386	9.0%
2021	8,814	551,342,142	62,553	5.5%
2022	8,861	552,970,705	62,405	3.3%
2023	8,880	n/a	n/a	3.9%
2024	n/a	n/a	n/a	n/a

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

Exhibit J-15

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Rowan University	3,500	1	2.13%	1,483	4	1.07%
Inspira Health	2,000	2	1.22%	1,825	1	1.32%
Walmart Turnersville	1,500	3	0.91%			
Kennedy Memorial Hospital				1,675	2	1.21%
Washington Township School District	1,495	4	0.91%	1,631	3	1.18%
County of Gloucester	1,200	5	0.73%	1,398	5	1.01%
Missa Bay, LLC				950	6	0.69%
Monroe Township School District	912	6	0.56%	807	7	0.58%
US Foodservices				725	8	0.52%
Jefferson Health	670	7	0.41%			
Shop Rite	575	8	0.35%			
Exxon Mobil Research & Engineering				540	9	0.39%
Aryzta LaBrea Bakery	500	8	0.30%	525	10	0.38%
Keller Williams Realty	500	9	0.30%			
Totals	12,852		7.52%	11,559		8.35%

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

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

Exhibit J-16

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular instruction	101.8	101.8	102.3	103.1	102.3	89.0	86.8	77.2	69.6	66.0
Special education	70.6	71.0	69.3	63.3	66.1	61.7	55.0	41.1	29.5	27.0
Support Services:										
Student & instruction related services	33.8	33.4	28.5	30.7	32.9	32.1	20.6	34.4	21.8	24.0
School administrative services	18.4	19.1	20.6	19.9	19.6	19.6	19.6	19.6	18.1	19.0
General administration and central services	3.7	4.0	4.0	4.0	4.0	4.9	4.0	5.0	7.7	8.0
Plant operations and maintenance	19.9	20.8	19.2	20.4	19.2	20.1	20.1	20.0	16.7	15.0
Other support services		1.3	3.0	3.0	3.0	3.0	1.0	-		
Food Service	7.0	10.1	5.9	5.9	6.1	6.1	6	3	4	5
Total	255.2	261.5	252.8	250.3	253.2	236.5	213.0	200.6	167.2	164.0

Source: District Personnel Records

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

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2015	1,461.0	25,362,409	17,360	6.18%	164.9	9.04	8.35	9.52	1,405.80	1,349.80	-2.87%	96.02%
2016	1,418.0	26,792,780	18,895	8.84%	161.1	8.45	8.98	9.00	1,359.50	1,305.40	-3.29%	96.02%
2017	1,351.0	27,121,624	20,075	6.25%	162.3	8.38	7.68	8.60	1,345.40	1,280.10	-1.04%	95.15%
2018	1,327.0	27,862,228	20,996	4.59%	163.3	7.95	7.43	8.52	1,299.20	1,237.20	-3.43%	95.23%
2019	1,292.0	28,816,392	22,304	6.23%	162.1	6.57	8.27	8.85	1,264.80	1,206.30	-2.65%	95.37%
2020	1,236.0	27,511,532	22,259	-0.20%	143.3	8.80	8.10	8.60	1,235.10	1,196.40	-2.35%	96.87%
2021	1,140.0	28,336,419	24,857	11.67%	167.8	9.22	8.03	8.78	1,126.40	1,078.70	-8.80%	95.77%
2022	1,154.0	29,400,395	25,477	2.50%	155.7	7.75	6.96	6.96	1,137.30	1,070.70	0.97%	94.14%
2023	1,061.0	30,761,492	28,993	13.80%	112.0	10.59	9.70	9.64	1,175.52	1,099.84	3.36%	93.56%
2024	1,141.0	30,263,944	26,524	-8.52%	117.0	11.00	10.00	10.00	1,141.67	1,074.39	-2.88%	94.11%

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

**Pitman School District  
School Building Information,  
Last Ten Fiscal Years**

**Exhibit J-18**

**District Buildings**

**Elementary**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
Memorial School (1962)										
Square Feet	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717	65,717
Capacity (students)	309	309	309	309	309	309	309	309	309	309
Enrollment	221	208	200	182	187	183	118	207	226	262
Kindle School (1926)										
Square Feet	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977
Capacity (students)	217	217	217	217	217	217	217	217	217	217
Enrollment	205	195	187	174	166	165	201	177	167	-
WCK Walls School (1926)										
Square Feet	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902
Capacity (students)	274	274	274	274	274	274	274	274	274	274
Enrollment	236	228	248	246	229	211	185	175	168	-
Middle School (1922)										
Square Feet	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684	78,684
Capacity (students)	381	381	381	381	381	381	381	381	381	381
Enrollment	350	343	307	302	306	314	281	260	252	422
High School (1971)										
Square Feet	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415	99,415
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	436	433	401	401	379	351	332	340	318	463

Number of Schools at June 30, 2024

Elementary -	3
Middle -	1
High -	1

Source: District Records, ASSA

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

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

School Facilities	Gross Square Footage	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Memorial School (1962)	65,717	38,508	59,750	21,228	35,466	39,261	10,366	10,503	21,083	17,390	15,510
Kindle School (1926)	32,977	54,747	145,441	371,286	25,344	29,271	10,989	11,591	10,015	15,733	2,166
WCK Walls School (1926)	38,902	16,393	21,229	16,061	58,481	45,330	7,393	13,587	13,716	12,458	2,166
Middle School (1922)	78,684	38,563	69,653	35,261	28,193	29,443	26,538	35,514	33,687	31,757	42,052
High School (1971)	99,415	295,446	142,350	52,601	123,768	44,472	57,446	51,181	48,138	51,243	90,834
		<u>443,657</u>	<u>438,423</u>	<u>496,437</u>	<u>271,252</u>	<u>187,777</u>	<u>112,732</u>	<u>122,376</u>	<u>126,639</u>	<u>128,581</u>	<u>152,728</u>

Source: District Records



**Pitman School District**  
**Insurance Schedule**  
**For the Year Ended June 30, 2024**  
*(Unaudited)*

**Exhibit J-20**

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

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## **SINGLE AUDIT SECTION**

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## Exhibit K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pitman School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Pitman School District's basic financial statements, and have issued our report thereon dated December 13, 2024.

#### **Report on Internal Control over Financial Reporting**

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

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

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

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

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

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

### **Purpose of this Report**

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

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

Ford, Scott & Associates, LLC.  
Certified Public Accountants

*Michael S. Garcia*

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

**December 13, 2024**



Exhibit K-2

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

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

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

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

We have audited the Pitman School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Pitman School District's major federal and state programs for the year ended June 30, 2024. The Pitman School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pitman School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

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

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

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

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## **Other Matters**

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

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

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



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

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

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

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

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

Ford, Scott & Associates, LLC.

Certified Public Accountants

*Michael S. Garcia*

Michael S. Garcia

Certified Public Accountant

Licensed Public School Accountant

No. 2080

**December 13, 2024**

PITMAN SCHOOL DISTRICT  
Schedule of Expenditures of Federal Award  
for the Fiscal Year ended June 30, 2024

Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Budgetary Expenditures				Balance at June 30, 2024	
					Accounts Receivable	Unearned Revenue	Cash Received	Source Pass Through	Total	Adjustments	Unearned Revenue	(Accounts Receivable)
U. S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Enterprise Fund:												
10.555	20241NJ04N1089	N/A	7/1/23 - 6/30/24	\$ 54,559	\$ -	\$ -	\$ 54,559	\$ (54,559)	\$ (54,559)	\$ -	\$ -	\$ (949)
10.553	20231NJ04N1089	N/A	7/1/22 - 6/30/24	19,371	-	-	18,422	(19,371)	(19,371)	-	-	-
10.553	20231NJ04N1089	N/A	7/1/22 - 6/30/23	19,778	(1,044)	-	1,044	(110,489)	(110,489)	-	-	(4,997)
10.555	20231NJ04N1089	N/A	7/1/22 - 6/30/24	110,489	(6,679)	-	105,492	(110,489)	(110,489)	-	-	-
10.555	20231NJ04N1089	N/A	7/1/22 - 6/30/23	133,146	-	-	6,679	-	-	(51,667)	-	-
10.555	20211NJ04N1089	N/A	7/1/20 - 6/30/21	-	-	-	32,616	(30,529)	(30,529)	(32,616)	-	-
10.553	20211NJ04N1089	N/A	7/1/20 - 6/30/21	-	-	-	30,529	(30,529)	(30,529)	-	-	-
10.555	20241NJ04N1089	N/A	7/1/23 - 6/30/24	30,529	(7,723)	-	301,008	(214,948)	(84,283)	(5,946)	-	-
Total Child Nutrition Cluster												
Pandemic EBT Administrative Costs												
10.649	2022225900941	N/A	7/1/23 - 6/30/24	653	-	-	653	(653)	(653)	-	-	-
Total Enterprise Fund												
U.S. Department of Health and Human Services												
Passed-through State Department of Health and Human Services												
Medical Assistance (SEMI)												
93.778	2305NJ5MAP	N/A	7/1/22 - 6/30/23	6,526	-	-	6,526	(6,526)	(6,526)	-	-	-
Total General Fund												
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
84.010A	S010A230030	ESEA414024	7/1/23 - 9/30/24	167,603	(28,297)	-	77,624	(114,882)	(114,882)	(23,826)	-	(37,258)
84.010A	S010A220030	ESEA414023	7/1/21 - 9/30/22	185,297	(10,566)	-	52,123	-	-	(1,299)	-	-
84.010A	S010A220030	ESEA414023	7/1/22 - 9/30/23	33,040	-	-	11,865	-	-	-	-	-
Total Title I												
84.367A	S367A230029	ESEA414024	7/1/23 - 9/30/24	23,238	(38,863)	-	141,612	(114,882)	(114,882)	(25,125)	-	(37,258)
84.367A	S367A220029	ESEA414023	7/1/22 - 9/30/23	61,169	(21,900)	-	2,538	(22,514)	(22,514)	-	-	(19,976)
84.367A	S367A210029	ESEA414022	7/1/21 - 9/30/22	51,043	(150)	-	21,900	-	-	150	-	-
Total Title II												
84.365	S365A220030	ESEA414022	7/1/21 - 9/30/22	1,000	(22,050)	-	24,438	(22,514)	(22,514)	150	-	(19,976)
Total Title III												
Total Title IV												
84.424	S424A240031	ESEA414024	7/1/23 - 9/30/24	14,090	(825)	-	-	(12,036)	(12,036)	825	-	-
Total Special Education Cluster												
84.027A	H027A230100	IDEA414024	7/1/23 - 9/30/24	370,150	(99,359)	-	223,301	(343,545)	(343,545)	(33)	-	(120,244)
84.027A	H027A220100	IDEA414023	7/1/22 - 9/30/23	345,347	(52,286)	-	99,392	(38,472)	(38,472)	997	-	-
84.027X	H027X210100	IDEA414022	7/1/21 - 9/30/22	52,280	(16,463)	-	40,466	(12,038)	(12,038)	(13,051)	-	-
84.173A	H173A230114	IDEA414023	7/1/23 - 9/30/24	15,387	(4,454)	-	13,051	(4,454)	(4,454)	-	-	-
84.173X	H173X210114	IDEA532022	7/1/21 - 9/30/22	4,454	(100,356)	-	385,178	(398,509)	(398,509)	997	-	(127,768)
Total Special Education Cluster												
84.425D	S425D210027	N/A	3/1/20 - 9/30/23	513,244	(141,149)	-	182,172	(37,395)	(37,395)	(3,628)	-	-
84.425D	S425D210027	N/A	3/1/320 - 9/30/23	32,938	(10,095)	-	12,134	(2,035)	(2,035)	(4)	-	-
84.425D	S425D210027	N/A	3/1/320 - 9/30/23	45,000	(21,986)	-	22,697	(31)	(31)	(670)	-	-
84.425V	E2400311	ESEA532024	10/1/23 - 8/31/24	58,000	(282,759)	-	7,302	(20,322)	(20,322)	16,936	-	(13,020)
84.425U	S425U210027	N/A	3/1/320 - 9/30/24	1,153,482	(21,060)	-	194,759	(418,142)	(418,142)	(94,918)	-	(489,206)
84.425U	S425U210027	N/A	3/1/320 - 9/30/24	40,000	(41,009)	-	21,060	(13,530)	(13,530)	(13,530)	-	(13,530)
84.425U	S425U210027	N/A	3/1/320 - 9/30/24	40,000	(6,900)	-	15,380	(1,579)	(1,579)	(25,629)	-	(25,629)
84.425U	S425U210027	N/A	3/1/320 - 9/30/24	45,000	(6,900)	-	6,900	(1,579)	(1,579)	(1,579)	-	(1,579)
84.425W	S425W210031	N/A	4/23/21 - 9/30/24	8,860	(524,968)	-	462,404	(587,952)	(587,952)	12,634	-	(637,882)
Total Special Revenue Fund												
Total Federal Financial Assistance												

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Reapportionment of Prior Years' Balances	Balance at June 30, 2024		MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public Cluster:															
Special Education Aid	24-495-034-5120-089	925,239	7/1/2023	6/30/2024	\$	\$	\$	925,239	\$ (925,239)	\$	\$	\$	\$ 84,766	\$ 925,239	
Security Aid	24-495-034-5120-084	142,285	7/1/2023	6/30/2024				142,285	(142,285)				13,036	142,285	
Equalization Aid	24-495-034-5120-078	4,292,268	7/1/2023	6/30/2024				4,292,268	(4,292,268)				393,238	4,292,268	
Total State Aid Public Cluster															
Transportation Aid	24-495-034-5120-014	148,522	7/1/2023	6/30/2024				148,522	(148,522)				491,040	5,359,792	
Extraordinary Aid	24-100-034-5120-044	167,779	7/1/2023	6/30/2024									13,607	148,522	
Extraordinary Aid	23-100-034-5120-044	201,096	7/1/2022	6/30/2023					(201,096)				(167,779)	167,779	
On-Behalf TPAF Pension	24-495-034-5094-002	4,258,350	7/1/2023	6/30/2024				201,096	(4,258,350)					201,096	
On-Behalf TPAF LTD	24-495-034-5094-001	1,158,967	7/1/2023	6/30/2024				4,258,350	(1,158,967)					4,258,350	
On-Behalf TPAF Social Security	24-495-034-5094-004	898	7/1/2023	6/30/2024				1,158,967	(898)					1,158,967	
Reimbursed TPAF Social Security	24-495-034-5094-003	754,919	7/1/2023	6/30/2024				898	(754,919)				(37,554)	898	
Reimbursed TPAF Social Security	23-495-034-5094-003	844,350	7/1/2022	6/30/2023				2,610	(754,919)					754,919	
Total General Fund								11,847,600	(11,849,227)				504,647	12,884,672	
Special Revenue Fund:															
Preschool Education Aid	24-495-034-5120-086	1,544,400	7/1/2023	6/30/2024				1,544,400	(1,489,057)				154,440	1,489,057	
Preschool Education Aid	23-495-034-5120-086	1,085,714	7/1/2022	6/30/2023				47,749						820,405	
Preschool Education Aid		30,089	7/1/2021	6/30/2022										29,850	
Building Capacity Comprehensive Grant	24-100-034-5062-032	168,750	2/1/2024	1/31/2025				168,537	(160,601)					160,601	
Building Capacity Comprehensive Grant	22-100-034-5062-032	168,750	2/1/2022	1/31/2023					(50,000)					168,258	
Local Recreation Grant	22-495-022-8030-668	50,000	2/1/2022	8/31/2023					(50,000)					50,000	
Local Recreation Grant	23-495-022-8030-668	75,000	5/1/2023	12/31/2024					(50,723)					50,723	
Total Special Revenue Fund								1,712,937	(1,730,381)				154,440	2,763,959	
State Department of Education															
Debt Service Fund:															
Debt Service Aid	24-100-034-5120-017	329,916	7/1/2023	6/30/2024				329,916	(329,916)					329,916	
Total Debt Service Fund								329,916	(329,916)				-	329,916	
State Department of Agriculture:															
Enterprise Fund:															
State School Lunch Program	24-100-010-3350-023	11,873	7/1/2023	6/30/2024				11,375	(11,873)					11,873	
State School Lunch Program	23-100-010-3350-023	6,285	7/1/2022	6/30/2023				334						6,285	
State School Breakfast Program	24-100-010-3350-023	1,249	7/1/2023	6/30/2024				1,153	(1,249)					1,249	
State School Breakfast Program	23-100-010-3350-023	1,159	7/1/2022	6/30/2023				61						1,249	
Total Enterprise Fund								12,923	(13,122)				-	20,656	
Total State Financial Assistance															
					\$	12,939	\$ -	\$ 13,903,376	\$ (13,922,646)	\$	300,319	\$ -	\$ 659,087	\$ 16,009,204	
Less: On-Behalf TPAF Pension															
Less: On-Behalf TPAF Post-Retirement															
Less: On-Behalf TPAF LTD															
Total State Financial Assistance															
(8,504,431)															

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**PITMAN SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2024**

**Note 1: General**

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

**Note 2: Basis of Accounting**

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

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$168,353 for the general fund and (\$182,224) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	Federal	State	On-Behalf Contributions	Total
General Fund	\$ 6,526	12,017,580	(6,173,134)	5,850,972
Special Revenue Fund	1,000,214	1,630,684		2,630,898
Debt Service Fund		329,916		329,916
Food Service Fund	215,601	13,122		228,723
Total Financial Assistance	\$ 1,222,341	13,991,302	(6,173,134)	9,040,509

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

**PITMAN SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2024**  
**(CONTINUED)**

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

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

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2024. 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, 2024.

**Note 6: Adjustments**

Amounts reported in the column entitled "adjustments" are shown in the table below for fiscal year 2023-2024:

	<u>Federal</u>	<u>State</u>
Prior year receivables canceled - reinstated	\$ (84,283)	
Prior year receivables canceled	975	
Recapture of prior year expenditures	(42,511)	
Prior year encumbrance canceled	16,936	
	<u>          </u>	<u>          </u>
Total Financial Assistance	\$ <u><u>(108,883)</u></u>	<u><u>-</u></u>

**PITMAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2024**

**Exhibit K-6**

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

**Financial Statements**

Type of auditor’s report issued:	Unmodified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Type of auditor’s report issued on compliance for major programs	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Uniform Guidance?	No

Identification of major programs:

<b><u>Assistance Listing Number(s)</u></b>	<b><u>FAIN Numbers</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
		<b>Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act</b>
84.425D	S425D210027	CRRSA - ESSER II
84.425D	S425D210027	CRRSA – Learning Acceleration
84.425D	S425D210027	CRRSA – Mental Health
84.425U	S425U210027	ARP – ESSER
84.425U	S425U210027	ARP – Accelerated Learning -Instruction
84.425U	S425U210027	ARP – Beyond the School Day (After School)
84.425V	E2400311	COVID – High Impact Tutoring
84.425W	S425W210031	ARP – Homeless II

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**PITMAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2024  
(CONTINUED)**

**Exhibit K-6**

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

**State Awards**

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

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

**Name of State Program**

495-034-5120-086	Preschool Education Aid
495-034-5094-003	TPAF Social Security

***Section II - Financial Statement Findings***

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

None

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

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

**FEDERAL AWARDS**

Our audit disclosed no matters to be reported.

**STATE AWARDS**

Our audit disclosed no matters to be reported.

**PITMAN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDING JUNE 30, 2024**

**Exhibit K-7**

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

**Financial Statement Findings**

No Prior Year Findings.

**Federal Awards**

No Prior Year Findings.

**State Financial Assistance**

No Prior Year Findings.