

**Gateway Regional High School Board of Education  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2017**

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
WOODBURY HEIGHTS, NEW JERSEY**

**Gateway Regional High School Board of Education  
Woodbury Heights, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

Gateway Regional High School Board of Education  
Woodbury Heights, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by:

Gateway Regional High School Board of Education Administration

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## **INTRODUCTORY SECTION**



# Gateway Regional High School District

775 Tanyard Road  
Woodbury Heights, New Jersey 08096-6218

(856) 848-8172  
FAX: (856) 251-9813



November 20, 2017

Honorable President and  
Members of the Board of Education  
Gateway Regional High School District  
Woodbury Heights, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Gateway Regional High School District for the fiscal year ended June 30, 2017, 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** Gateway Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Gateway Regional High School District Board of Education and its one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. The District completed the 2016-2017 fiscal year with an enrollment of 932 students, which is a decrease of 26 students from the previous year's enrollment. The following details the changes in the student enrollment and growth of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	932	(2.71%)
2015-16	958	+1.27%
2014-15	946	+5.94%
2013-14	893	+0.45%
2012-13	889	(0.22%)
2011-12	891	+5.69%
2010-11	843	(0.71%)
2009-10	849	(6.08%)
2008-09	904	(5.14%)
2007-08	953	(5.17%)

**2. ECONOMIC CONDITION AND OUTLOOK:** The service area is experiencing a period of minimal development. District enrollments have started to decline. The District has seen a rise in the number of students considered homeless as families are forced to relocate out of district due to economic necessity. The state and national economy are reflected in the employment base of the area and continues to affect each of the communities. The State imposed 2% CAP on the district tax levy was passed to provide relief to the taxpayers of New Jersey. The Gateway Board of Education has been cognizant of the struggles of its taxpayers and adopted budgets at or below the CAP until the 2015-16 school year. To maintain staff and programs due to flat funding from the State, the Board has had to surpass the 2% CAP by using statutory adjustments the last several years.

**3. MAJOR INITIATIVES:**

**A. Current Year Accomplishments:**

District goals continue to emphasize improvement of students' academic skills and preparing them for college and career readiness. All programs are focused on skills needed to demonstrate proficiency in the New Jersey Student Learning Standards for both Mathematics and Language Arts subtests of the PARCC. These objectives address specified subgroups (total, white, special education and economically disadvantaged populations) that were below State PARCC performance targets. Additionally, with changing accountability standards at the state and federal level, we are also considering progress made by our ethnic subpopulations. The District continues to strive to show improvement in test score passing rates and have added programs and revised curriculum. Mathematics curricula continues to be revised to provide instruction that is differentiated, engaging and supports inquiry.

### **3. MAJOR INITIATIVES (CONTINUED):**

Instruction for high school disabled and economically disadvantaged students in supplemental language arts and math classes follow the mainstream curriculum with modifications. Programs to support ELL, at-risk and disabled students include academic support classes and push-in support. Additionally, after school help and extended year programs were provided through Title funds to support at-risk populations. Each of these objectives had multi-step action plans that were reflective of the District's data assessment team's review of test scores and recommendations. The District's implementation of the committee's recommendations reflects the commitment of the District to assist all students achieve to their optimal level and collaborate with staff members to support achievement.

The District continues to collaborate with the New Jersey Center for Teaching and Learning to provide professional development to math and science teachers to assist them in implementing the NJSL standards and implementing technology and ELA NJSL. Inquiry, cooperative learning, and technology are embedded into everyday instruction. In addition, the District provided Advanced Placement training in several content areas to prepare for the realization of new AP courses.

Emphasis will remain on the improvement of achievement for the above populations and to include all student populations' achievement on the Mathematics and Language Arts subtests of the NJ PARCC assessments, with the District adoption of math and language arts objectives. Professional development and purchased supplemental materials will continue to be available to all District teachers in the areas identified above with the intent of improving achievement of all students.

To provide students instruction in 21<sup>st</sup> Century skills, the District continues to incorporate technology across the curricula and into the everyday operation of the District. The District has completed the implementation of a 1:1 initiative. Students are able to enhance learning through the use of technological tools and the ability to interact with courses, assessments, and activities online. Students use Google Docs, Google Classroom, and Gmail accounts for additional educational opportunities through the use of Google Docs. We continue to expand online classes on coding and health. In addition to technology, instruction is focused on cooperation, collaboration, critical thinking, and creativity.

To provide structured learning experiences, the District has launched the "Gateway to Careers" program. This program provides students the ability to secure internships throughout the community to attain workplace skills. The District has partnered with NJ Talent Network and other organizations to assist in providing students the best experiences possible.

The District continues to be a Choice School. The program is focused on increasing the minority populations, so that the community can benefit from other perspectives. A total of 80 students attended grades 7-12. Many of the students resided in another county, but still chose to attend Gateway. The District will continue the program and will strive to fill all available seats.

As part of the District's special election held on December 9, 2003, taxpayers approved a capital project in the amount of \$15,153,985 for the (a) construction of an addition to the existing High School totaling approximately 15,921 square feet, and the completion of various other improvements and renovations, including improvements to athletic facilities, site work, and the replacement and/or upgrading of the building structure and operating systems, including the electric, plumbing and heating, ventilating and air conditioning systems; (b) acquire furniture, fixtures and equipment for said additions, improvements, and renovations. These expenditures were funded in part with a grant from the State. The District issued bonds in the amount of \$8,865,000 to fund its share of the project cost. Construction and renovation began in June of 2004, and closure of the project concluded in the Spring of 2007. In May 2012, the District was able to refinance the remaining amount of outstanding bonds on this issue at a savings of approximately \$278,600.

### **3. MAJOR INITIATIVES (CONTINUED):**

Site work that was not able to be completed as a part of the 2003 Referendum Project was evaluated and prioritized. A contract for \$482,750 was awarded to construct six tennis courts in the Fall of 2007. The courts were completed in the Summer of 2008.

Renovation and replacement of the school running track and main athletic field (Stadium Project) began in the Summer of 2009. A contract was issued in the amount of \$1,243,750.00 to replace the existing natural grass field with a synthetic surface. This project was completed in October 2010.

Over the last five years the District has renovated the middle school science labs, family and consumer science rooms, the media center, lecture hall, and art rooms. Floor tile and light fixtures have been replaced in the cafeteria as well as new lighting in the gymnasiums. The concession stand was renovated in the Summer of 2016, as well as a partial roof replacement and elevator refurbishment.

#### **B. Future and Continuing Projects:**

The Board continues to focus its efforts on reducing costs to the District and community by increasing shared services with the four municipal school systems. During the audit year, Gateway continued to provide business office services to three of the four elementary sending districts. In May 2011, the District entered into an agreement with the Westville School District for shared Superintendent services and in September 2011, signed an agreement with the National Park School District. Gateway continues to share many other auxiliary services in purchasing, food service, transportation, Child Study Team, and Curriculum with the constituent districts.

There is a strong commitment to advance technology both in classroom instruction and after school student access, as well as internal student management areas including attendance, scheduling, grade reporting, and other administrative functions. Infrastructure, hardware and software have been purchased to allow greater record access both internally as well as provide the links necessary for increased community/parent interaction with their students' records. Departments continually plan for resources that are Online or technology based.

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

As a recipient of federal and state financial assistance, the 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 the District Management.

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. 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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

**6. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements," Note 1.

**7. DEBT ADMINISTRATION:** The District entered into 25-year indebtedness with the passage of a \$8.9 million bond issue in March of 2004. Building renovations and additions as well as site reconstruction were completed in 2004. The District took advantage of state share funding in the amount of \$6.3 million dollars through the Educational Development Council. The District was able to refinance the issue in May 2012, for additional savings to the taxpayers. As of June 30, 2017, the District's outstanding debt issues were \$5,130,000.

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

**9. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile, liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Being one of the Charter Districts in 1998, forming the Gloucester, Cumberland, Salem School District (GCSSD) Joint Insurance Fund, the District has benefited greatly from higher levels of coverage and stability in rising insurance industry premium costs.

**10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC is the appointed District auditor. 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 1984, the Single Audit Act Amendments of 1996 and the related Uniform Guidance, and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose 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.

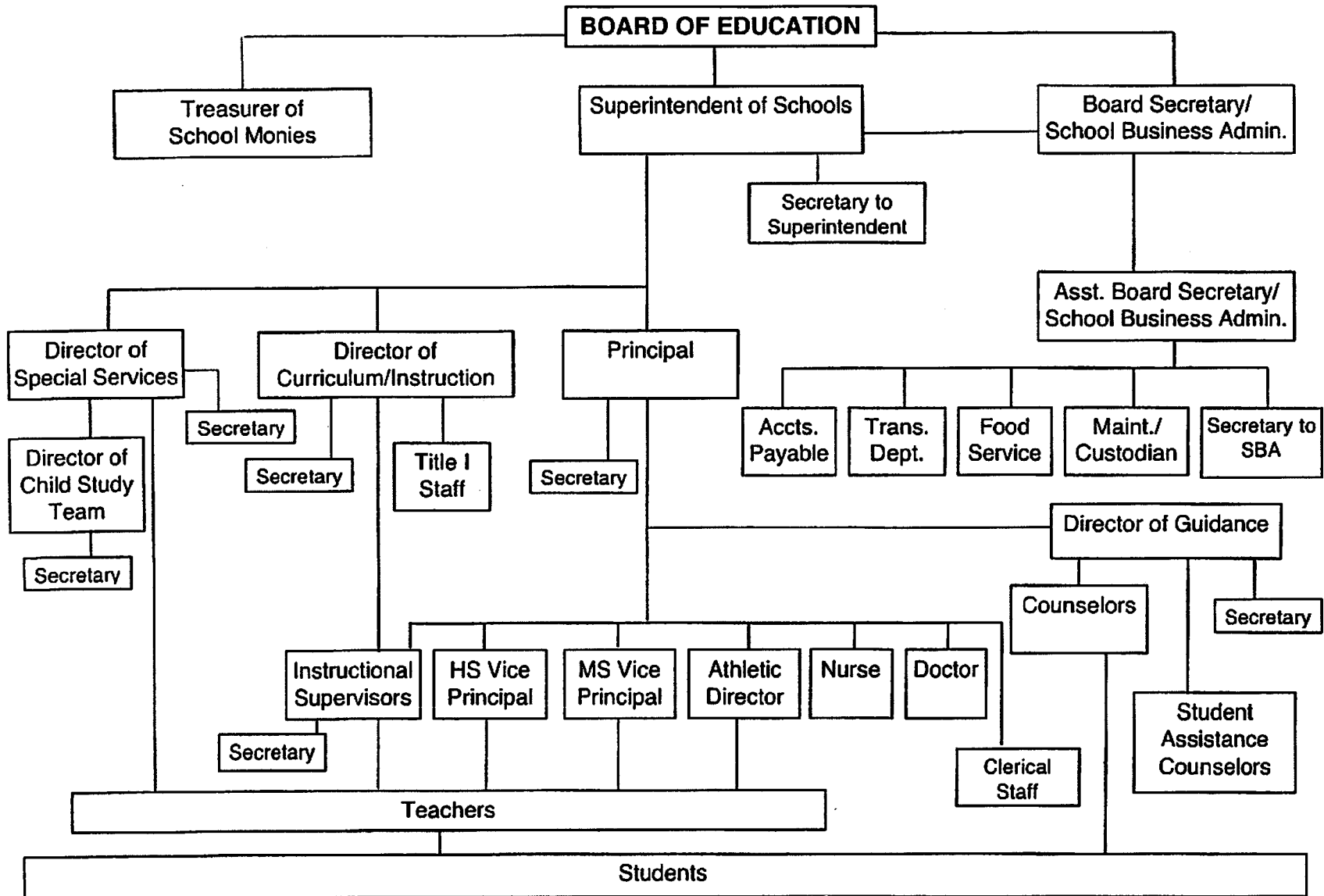
**11. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Gateway Regional Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our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

Respectfully submitted,

Dr. Shannon M. Whalen  
Dr. Shannon M. Whalen  
Superintendent

Donna J. Contrevo  
Donna J. Contrevo  
School Business Administrator/Board Secretary

# ORGANIZATIONAL CHART GATEWAY REGIONAL HIGH SCHOOL DISTRICT



**GATEWAY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
Woodbury Heights, NJ 08096**

**ROSTER OF OFFICIALS**

June 30, 2017

**MEMBERS OF THE BOARD OF EDUCATION**

**Term Expires**

Robert Miller, President	2018
Tamela Spissel, Vice President	2017
Harry Bush	2017
Juliana Delany	2019
Michelle Edmund	2019
Judi Pye	2017
Tamar Shelov	2018
Paula Trapuzzano	2018
Keith Wyckoff	2019

**OTHER OFFICIALS**

Dr. Shannon M. Whalen, Superintendent  
Donna J. Contrevo, Business Administrator/Board Secretary  
Christopher Rodia, Assistant Business Administrator/Assistant Board Secretary  
Charles J. Owens, Treasurer



**GATEWAY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
Woodbury Heights, NJ 08096**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

Garrison Architects  
713 Creek Road  
Bellmawr, NJ 08031

**AUDIT FIRM**

Petroni & Associates LLC  
102 West High Street, Suite 100  
Glassboro, NJ 08028

**ATTORNEY**

Joseph F. Betley, Esq.  
Capehart & Scatchard  
8000 Midlantic Drive, Suite 3000  
Mt. Laurel, NJ 08054

**OFFICIAL DEPOSITORIES**

TD Bank  
State of New Jersey Cash Management  
Fulton Bank of NJ  
Cape Bank  
NJ/ARM

## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Gateway Regional High School District  
775 Tanyard Road  
Woodbury Heights, New Jersey 08096

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Gateway Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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

District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 Gateway Regional High Board of Education, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gateway Regional High Board of Education'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), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, 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. Such 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's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 November 20, 2017, on our consideration of the Gateway Regional High Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Gateway Regional High School Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

November 20, 2017

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Gateway Regional High School District  
Woodbury Heights, New Jersey

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017  
Unaudited

The discussion and analysis of Gateway Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. 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.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB's) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for 2017 are as follows:

- \* General revenues accounted for \$22,108,429 in revenue or 92 percent of all revenues.
- \* Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,430,649 or 8 percent of total revenues of \$24,539,078.
- \* The School District had \$24,938,384 in expenses; only \$2,430,649 of these expenses were offset by program specific charges for services, grants or contributions.
- \* Among Governmental Funds, the General Fund had \$21,563,829 in revenues and the General Fund's fund balance increased \$667,307 over 2016.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Gateway Regional High 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 Gateway Regional High School District, the General Fund is by far the most significant fund.

### **Reporting the School District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

While this document contains 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

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**Statement of Net Position and the Statement of Activities (Continued)**

transactions and ask the question, "How did we do financially during 2017?" 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 that position. 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 condition, required educational programs, and other factors.

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

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

**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.



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**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**

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 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.

Table 1 provides a summary of the School District's net position for 2017 with comparative data from 2016.

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current & other assets	\$ 4,289,706	\$ 4,416,668	\$ 453,394	\$ 427,312	\$ 4,743,100	\$ 4,843,980
Capital assets	15,005,658	15,167,272	3,015	12,566	15,008,673	15,179,838
Total assets	<u>19,295,364</u>	<u>19,583,940</u>	<u>456,409</u>	<u>439,878</u>	<u>19,751,773</u>	<u>20,023,818</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,218,278</u>	<u>11,719,199</u>			<u>3,218,278</u>	<u>11,719,199</u>
<b>LIABILITIES</b>						
Long-term liabilities	5,854,049	6,135,749			5,854,049	6,135,749
Other liabilities	342,459	898,826	149,229	219,949	491,688	1,118,775
Net pension liability	10,131,996	7,559,893			10,131,996	
Total liabilities	<u>16,328,504</u>	<u>14,594,468</u>	<u>149,229</u>	<u>219,949</u>	<u>16,477,733</u>	<u>7,254,524</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		<u>36,976</u>				<u>36,976</u>
<b>NET POSITION</b>						
Invested in capital assets,						
Net of debt	9,875,658	9,667,272	3,015	12,566	9,878,673	9,679,838
Restricted	4,192,244	3,760,309			4,192,244	3,760,309
Unrestricted	(7,882,764)	(6,755,886)	304,165	207,363	(7,578,599)	(6,548,523)
Total net position	<u>\$ 6,185,138</u>	<u>\$ 6,671,695</u>	<u>\$ 307,180</u>	<u>\$ 219,929</u>	<u>\$ 6,492,318</u>	<u>\$ 6,891,624</u>

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**The School District as a Whole (Continued)**

The District's combined net position was \$6,492,318 on June 30, 2017. This was a decrease from the prior year of \$399,306.

Table 2 shows changes in net position for fiscal year 2017 with comparative data from 2016.

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES:</b>						
Program revenues:						
Charges for services			\$ 1,480,547	\$ 1,343,769	\$ 1,480,547	\$ 1,343,769
Operating grants & contributions	\$ 481,086	\$ 512,440	469,016	438,062	950,102	950,502
General revenues:						
Property taxes	10,882,730	10,417,760			10,882,730	10,417,760
Federal & state aid	9,856,232	9,967,851			9,856,232	9,967,851
Other	1,368,766	1,427,665	701	674	1,369,467	1,428,339
<b>Total revenues</b>	<b>22,588,814</b>	<b>22,325,716</b>	<b>1,950,264</b>	<b>1,782,505</b>	<b>24,539,078</b>	<b>24,108,221</b>
<b>EXPENSES:</b>						
Instruction	8,354,118	8,152,223			8,354,118	8,152,223
Support services	14,491,498	13,300,475			14,491,498	13,300,475
Interest on debt	201,688	207,838			201,688	207,838
Capital outlay	28,067	334,701			28,067	334,701
Food service			861,369	793,660	861,369	793,660
Child study team			735,672	704,043	735,672	704,043
Business services			205,921	195,012	205,921	195,012
Chief school administrator			60,051	58,351	60,051	58,351
<b>Total expenses</b>	<b>23,075,371</b>	<b>21,995,237</b>	<b>1,863,013</b>	<b>1,751,066</b>	<b>24,938,384</b>	<b>23,746,303</b>
<b>Change in net position</b>	<b>\$ (486,557)</b>	<b>\$ 330,479</b>	<b>\$ 87,251</b>	<b>\$ 31,439</b>	<b>\$ (399,306)</b>	<b>\$ 361,918</b>

**Governmental Activities**

Property taxes made up 45 percent of revenues for Governmental Activities for the Gateway Regional High School District for the Fiscal Year 2017. The District's total revenues were \$24,539,078 for the year ended June 30, 2017. Federal, state, and local grants accounted for another 44 percent of revenue.

The total cost of all programs and services was \$23,075,371. Instruction comprises 37 percent of District expenses.

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**Business-Type Activities**

Revenues for the District's Business-type Activities was comprised of charges for services and federal and state reimbursements.

- \* Income exceeded expenditures by \$87,251.
- \* Charges for services represent \$1,480,547 of revenue.
- \* Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$469,016.

**Statement of 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 for the year 2017, with comparative data for 2016. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$ 8,354,118	\$ 8,152,223	\$ 7,941,906	\$ 7,719,169
Support services:				
Pupil & instructional staff	3,694,832	3,897,265	3,625,958	3,817,879
General administration, school administration & business operation	1,152,241	1,142,862	1,152,241	1,142,862
Operation & maintenance of facilities	1,515,158	1,454,688	1,515,158	1,454,688
Pupil transportation	1,496,763	1,468,449	1,496,763	1,468,449
Interest	201,688	207,838	201,688	207,838
Other	6,660,571	5,671,912	6,660,571	5,671,912
	<u>\$ 23,075,371</u>	<u>\$ 21,995,237</u>	<u>\$ 22,594,285</u>	<u>\$ 21,482,797</u>

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

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

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

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.

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**Statement of Activities (Continued)**

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

“Other” includes unallocated depreciation, Capital Outlay, and Business-type Activities.

**The School District's Funds**

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$22,616,680 and expenditures were \$22,323,490.

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. The major amendment made to the original budget was the inclusion of additional state aid received during the year.

**Capital Assets**

At the end of the fiscal year 2017, the School District had \$15,008,673 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2017 balances compared to 2016.

**Table 4 - Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land & construction in progress	\$ 159,975	\$ 375,758			\$ 159,975	\$ 375,758
Site improvements	2,541,925	2,796,305			2,541,925	2,796,305
Buildings & improvements	11,715,971	11,324,863			11,715,971	11,324,863
Machinery & equipment	587,787	670,346	\$ 3,015	\$ 12,566	590,802	682,912
<b>Total</b>	<b>\$ 15,005,658</b>	<b>\$ 15,167,272</b>	<b>\$ 3,015</b>	<b>\$ 12,566</b>	<b>\$ 15,008,673</b>	<b>\$ 15,179,838</b>

Overall capital assets decreased \$171,165 from fiscal year 2016 to fiscal year 2017. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2017, the School District had \$5,854,049 of outstanding debt. Of this amount, \$536,946 is for compensated absences, \$187,103 is for obligations under capital lease, and \$5,130,000 is for serial bonds for school construction.

For more detailed information, please refer to the Notes to the Financial Statements.

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**For the Future**

Gateway Regional High School District, receiving students from four sending districts that are all primarily residential communities with very few industrial ratable, relies heavily on homeowners to support their school.

The District continues to be creative and find ways to make ends meet. Gateway became a "Choice School" in 2011-12 allowing pupils from the other districts to attend on a non-tuition basis. The District receives additional state aid for this status based on the number of out of district students enrolled.

In May 2011 and September 2011, the District entered into agreements with Westville & National Park Elementary School Districts to provide Superintendent services. These shared service agreements have provided administrative cost savings to all taxpayers.

In conclusion, the Gateway Regional High School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Donna J. Contrevo, Board Secretary/School Business Administrator at Gateway Regional Board of Education, 775 Tanyard Road, Woodbury Heights, New Jersey 08096 or e-mail at: [dcontrevo@gatewayhs.com](mailto:dcontrevo@gatewayhs.com).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,588,757	\$ 270,054	\$ 2,858,811
Due from other funds	30	48,019	48,049
Receivables, net	1,289,115	114,927	1,404,042
Inventory		20,394	20,394
Restricted assets:			
Cash and cash equivalents	411,804		411,804
Land & construction in progress	159,975		159,975
Other capital assets, net	14,845,683	3,015	14,848,698
Total assets	<u>19,295,364</u>	<u>456,409</u>	<u>19,751,773</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	<u>3,218,278</u>		<u>3,218,278</u>
<b>LIABILITIES</b>			
Accounts payable	287,923	140,186	428,109
Payable to state government	6,446		6,446
Due to other funds	48,019		48,019
Deferred revenue	71	9,043	9,114
Noncurrent liabilities:			
Due within one year	440,014		440,014
Due beyond one year	5,414,035		5,414,035
Net pension liability	10,131,996		10,131,996
Total liabilities	<u>16,328,504</u>	<u>149,229</u>	<u>16,477,733</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	9,875,658	3,015	9,878,673
Restricted for:			
Debt service	15,142		15,142
Capital projects	101,930		101,930
Other purposes	4,075,172		4,075,172
Unrestricted	(7,882,764)	304,165	(7,578,599)
Total net position	<u>\$ 6,185,138</u>	<u>\$ 307,180</u>	<u>\$ 6,492,318</u>



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 5,635,366			\$ (5,635,366)		\$ (5,635,366)
Special education	1,822,641		\$ 412,212	(1,410,429)		(1,410,429)
Other special instruction	220,669			(220,669)		(220,669)
School sponsored activities	675,442			(675,442)		(675,442)
Support services:						
Tuition	1,068,957			(1,068,957)		(1,068,957)
Student & instructional related services	2,625,875		68,874	(2,557,001)		(2,557,001)
General administration	410,438			(410,438)		(410,438)
School administrative services	423,278			(423,278)		(423,278)
Central services	318,525			(318,525)		(318,525)
Plant operations & maintenance	1,515,158			(1,515,158)		(1,515,158)
Pupil transportation	1,496,763			(1,496,763)		(1,496,763)
Unallocated benefits	6,632,504			(6,632,504)		(6,632,504)
Capital outlay	28,067			(28,067)		(28,067)
Interest on long-term debt	201,688			(201,688)		(201,688)
<b>Total governmental activities</b>	<b>23,075,371</b>		<b>481,086</b>	<b>(22,594,285)</b>		<b>(22,594,285)</b>
<b>Business-type activities:</b>						
Food service	861,369	\$ 389,964	469,016		\$ (2,389)	(2,389)
Child study team	735,672	817,483			81,811	81,811
Business services	205,921	206,100			179	179
Chief school administrator services	60,051	67,000			6,949	6,949
<b>Total business-type activities</b>	<b>1,863,013</b>	<b>1,480,547</b>	<b>469,016</b>		<b>86,550</b>	<b>86,550</b>
<b>Total primary government</b>	<b>\$ 24,938,384</b>	<b>\$ 1,480,547</b>	<b>\$ 950,102</b>	<b>\$ (22,594,285)</b>	<b>\$ 86,550</b>	<b>\$ (22,507,735)</b>
<b>General revenues:</b>						
Taxes:						
Property taxes levied for general purposes				\$ 10,311,042		\$ 10,311,042
Taxes levied for debt service				571,688		571,688
Federal and state aid not restricted				9,856,232		9,856,232
Tuition				32,999		32,999
Transportation fees				1,173,957		1,173,957
Investment earnings				16,166	\$ 701	16,867
Miscellaneous income				173,510		173,510
Prior year receivable canceled				(27,866)		(27,866)
<b>Total general revenues, special items, extraordinary items, and transfers</b>				<b>22,107,728</b>	<b>701</b>	<b>22,108,429</b>
<b>Change in net position</b>				<b>(486,557)</b>	<b>87,251</b>	<b>(399,306)</b>
<b>Net position - beginning</b>				<b>6,671,695</b>	<b>219,929</b>	<b>6,891,624</b>
<b>Net position - end</b>				<b>\$ 6,185,138</b>	<b>\$ 307,180</b>	<b>\$ 6,492,318</b>

## FUND FINANCIAL STATEMENTS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2017

	Major Funds				Total Governmental Funds	
	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund		Permanent Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,588,757			\$ 15,142	\$ 11,364	\$ 2,615,263
Receivables from other governments	119,135	\$ 276,157	\$ 423,036			818,328
Due from other funds	30					30
Other - transportation	397,890					397,890
Other receivables	72,897					72,897
Restricted cash and cash equivalents:	938,783					938,783
<b>Total assets</b>	<b>\$ 4,117,492</b>	<b>\$ 276,157</b>	<b>\$ 423,036</b>	<b>\$ 15,142</b>	<b>\$ 11,364</b>	<b>4,843,191</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Cash deficit		\$ 236,202	\$ 317,283			553,485
Accounts payable	\$ 250,662	33,438	3,823			287,923
Due to other funds	48,019					48,019
Payable to state government		6,446				6,446
Deferred revenue		71				71
<b>Total liabilities</b>	<b>298,681</b>	<b>276,157</b>	<b>321,106</b>			<b>895,944</b>
Fund balances:						
Nonspendable:						
Permanent fund principal					\$ 10,797	10,797
Restricted for:						
Excess surplus - designated for subsequent year's expenditures	1,572,827					1,572,827
Excess surplus	1,560,670					1,560,670
Capital reserve	750,783					750,783
Capital reserve - designated for subsequent year's expenditures	188,000					188,000
Capital projects			101,930			101,930
Other purposes					567	567
Assigned to:						
Debt service fund				\$ 15,142		15,142
Year-end encumbrances	2,892					2,892
Unassigned:						
General fund	(256,361)					(256,361)
<b>Total fund balances</b>	<b>3,818,811</b>		<b>101,930</b>	<b>15,142</b>	<b>11,364</b>	<b>3,947,247</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,117,492</b>	<b>\$ 276,157</b>	<b>\$ 423,036</b>	<b>\$ 15,142</b>	<b>\$ 11,364</b>	

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$28,629,142 and the accumulated depreciation is \$13,623,484 (See Note 7).	15,005,658
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 8).	(5,854,049)
Net pension liability adjustment	(6,913,718)
<b>Net position of Governmental Activities</b>	<b>\$ 6,185,138</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 10,311,042			\$ 571,688	\$ 10,882,730
Tuition	32,999				32,999
Transportation fees	1,173,957				1,173,957
Interest earned on capital reserve funds	3,166				3,166
Miscellaneous	186,433				186,510
	<u>11,707,597</u>			<u>571,688</u>	<u>12,279,362</u>
State sources	9,817,422	\$ 78,670			9,896,092
Federal sources	38,810	402,416			441,226
Total revenues	<u>21,563,829</u>	<u>481,086</u>		<u>571,688</u>	<u>22,616,680</u>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	5,232,423				5,232,423
Special education instruction	1,410,429	412,212			1,822,641
Other special instruction	220,669				220,669
School sponsored activities	675,442				675,442
Support:					
Tuition	1,068,957				1,068,957
Student & instruction related services	2,470,504	68,874		54	2,539,432
General administration	331,853				331,853
School administrative services	415,495				415,495
Central services	318,525				318,525
Plant operations and maintenance	1,452,290				1,452,290
Pupil transportation	1,423,675				1,423,675
Unallocated benefits	5,598,100				5,598,100
Debt Service:					
Principal				370,000	370,000
Interest				201,688	201,688
Capital outlay	341,378		310,922		652,300
Total expenditures	<u>20,959,740</u>	<u>481,086</u>	<u>310,922</u>	<u>571,688</u>	<u>22,323,490</u>
Excess (deficiency) of revenues over expenditures	<u>604,089</u>		<u>(310,922)</u>		<u>293,190</u>
Other financing sources (uses):					
Transfer for capital projects	(72,997)		72,997		
Prior year receivable canceled	(27,866)				(27,866)
Capital leases (non-budgeted)	164,081				164,081
Total other financing sources (uses)	<u>63,218</u>		<u>72,997</u>		<u>136,215</u>
Net change in fund balances	<u>667,307</u>		<u>(237,925)</u>	23	<u>429,405</u>
Fund balance - July 1	3,151,504		339,855	15,142	3,517,842
Fund balance - June 30	<u>\$ 3,818,811</u>		<u>\$ 101,930</u>	<u>\$ 15,142</u>	<u>\$ 3,947,247</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2017

Total net change in fund balances - Governmental Funds (from B-2)		\$ 429,405
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	\$ (785,847)	
Capital outlays	624,233	
		(161,614)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.		
Bond principal		370,000
Capital lease obligation principal		52,647
Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.		
Capital lease proceeds		(164,081)
In the Statement of Activities, certain operating expenses, e.g., compensated absences 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.		
		23,134
Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.		
		(1,036,048)
Change in net position of Governmental Activities		\$ (486,557)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

	Enterprise Funds				Total Enterprise Fund
	Major Fund Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 154,462	\$ 55,539		\$ 64,349	\$ 274,350
Receivables, net	34,645	63,532		16,750	114,927
Interfund receivable	48,019				48,019
Inventory	20,394				20,394
Capital assets, net	3,015				3,015
Total assets	<u>260,535</u>	<u>119,071</u>		<u>\$ 81,099</u>	<u>460,705</u>
<b>LIABILITIES</b>					
Deficit in cash			\$ 4,296		4,296
Accounts payable	133,213	6,973			140,186
Deferred revenue	9,043				9,043
Total liabilities	<u>142,256</u>	<u>6,973</u>	<u>4,296</u>		<u>153,525</u>
<b>NET POSITION</b>					
Investment in capital assets, net of related debt Unrestricted	3,015 115,264	112,098	(4,296)	\$ 81,099	3,015 304,165
Total net position	<u>\$ 118,279</u>	<u>\$ 112,098</u>	<u>\$ (4,296)</u>	<u>\$ 81,099</u>	<u>\$ 307,180</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2017

	Enterprise Funds				Total Enterprise Fund
	Major Fund Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	
Operating revenues:					
Charges for services:					
Daily sales - reimbursable programs	\$ 147,664				\$ 147,664
Daily sales - non-reimbursable programs	212,140				212,140
Special functions	30,160				30,160
Services provided to other entities		\$ 817,483	\$ 206,100	\$ 67,000	1,090,583
Total operating revenue	<u>389,964</u>	<u>817,483</u>	<u>206,100</u>	<u>67,000</u>	<u>1,480,547</u>
Operating expenses					
Cost of sales - reimbursable programs	280,283				280,283
Cost of sales - non-reimbursable programs	74,249				74,249
Salaries	265,221	560,789	202,318	53,310	1,081,638
Employee benefits	78,080	140,532		5,354	223,966
Purchased professional - educational services		9,883			9,883
Other purchased services	8,296	9,930	1,079	1,387	20,692
Contracted services	66,000				66,000
Operations and maintenance	10,421				10,421
Supplies and materials	58,382	13,264	2,365		74,011
Miscellaneous expenditures	10,886	1,274	159		12,319
Depreciation	9,551				9,551
Total operating expenses	<u>861,369</u>	<u>735,672</u>	<u>205,921</u>	<u>60,051</u>	<u>1,863,013</u>
Operating income (loss)	<u>(471,405)</u>	<u>81,811</u>	<u>179</u>	<u>6,949</u>	<u>(382,466)</u>
Non-operating revenues (expenses):					
Interest earned	701				701
State sources:					
State school lunch program	6,586				6,586
Federal sources:					
School breakfast program	113,615				113,615
National school lunch program	271,124				271,124
Special milk program	443				443
After school snack program	5,004				5,004
Food distribution program commodities	72,244				72,244
Total non-operating revenues (expenses)	<u>469,717</u>				<u>469,717</u>
Change in net position	(1,688)	81,811	179	6,949	87,251
Total net position - beginning	119,967	30,287	(4,475)	74,150	219,929
Total net position - ending	<u>\$ 118,279</u>	<u>\$ 112,098</u>	<u>\$ (4,296)</u>	<u>\$ 81,099</u>	<u>\$ 307,180</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2017

	Enterprise Funds				Total Enterprise Fund
	Major Fund Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	
Cash flows from operating activities:					
Receipts from customers	\$ 427,507	\$ 753,952	\$ 206,100	\$ 50,250	\$ 1,437,809
Payments to employees	(265,221)	(560,789)	(202,318)	(53,310)	(1,081,638)
Payments for employee benefits	(78,080)	(140,532)		(5,354)	(223,966)
Payments to suppliers	(502,805)	(33,083)	(3,603)	(1,387)	(540,878)
Net cash provided by (used for) operating activities	<u>(418,599)</u>	<u>19,548</u>	<u>179</u>	<u>(9,801)</u>	<u>(408,673)</u>
Cash flows from non-capital financing activities:					
State sources	7,351				7,351
Federal sources	386,297				386,297
Net cash provided by non-capital financing activities	<u>393,648</u>				<u>393,648</u>
Cash flows from investing activities					
Interest earned	701				701
Net cash provided by investing activities	<u>701</u>				<u>701</u>
Net increase (decrease) in cash and cash equivalents	(24,250)	19,548	179	(9,801)	(14,324)
Balance - beginning of year	178,712	35,991	(4,475)	74,150	284,378
Balance - end of year	<u>\$ 154,462</u>	<u>\$ 55,539</u>	<u>\$ (4,296)</u>	<u>\$ 64,349</u>	<u>\$ 270,054</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (471,405)	\$ 81,811	\$ 179	\$ 6,949	\$ (382,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	9,551				9,551
Food distribution program	72,244				72,244
(Increase) decrease in accounts receivable	36,555	(63,532)		(16,750)	(43,727)
(Increase) decrease in inventory	6,446				6,446
Increase (decrease) in accounts payable	(71,990)	1,269			(70,721)
Net cash provided by (used for) operating activities	<u>\$ (418,599)</u>	<u>\$ 19,548</u>	<u>\$ 179</u>	<u>\$ (9,801)</u>	<u>\$ (408,673)</u>



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
June 30, 2017

	Trust		Agency		Total 2017
	Unemployment Compensation	Private Purpose	Student Activity	Payroll	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 24,751	\$ 12,484	\$ 263,548	\$ 124,561	\$ 425,344
Interfund receivable	6,038				6,038
<b>Total assets</b>	<b>\$ 30,789</b>	<b>\$ 12,484</b>	<b>\$ 263,548</b>	<b>\$ 124,561</b>	<b>431,382</b>
<b>LIABILITIES</b>					
Payroll deductions and withholdings				\$ 118,493	118,493
Due to student groups			\$ 263,548		263,548
Interfund payable				6,068	6,068
<b>Total liabilities</b>			<b>\$ 263,548</b>	<b>\$ 124,561</b>	<b>388,109</b>
<b>NET POSITION</b>					
Held in trust for unemployment claims	\$ 30,789				30,789
Reserved for scholarships		\$ 12,484			12,484
<b>Total net position</b>	<b>\$ 30,789</b>	<b>\$ 12,484</b>			<b>\$ 43,273</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation	Private Purpose	Total 2017
<b>ADDITIONS:</b>			
Contributions	\$ 20,102		\$ 20,102
Interest earned	91	\$ 113	204
<b>Total additions</b>	<b>20,193</b>	<b>113</b>	<b>20,306</b>
<b>DEDUCTIONS:</b>			
Unemployment claims	16,997		16,997
Transfer for scholarships		1,000	1,000
<b>Total deductions</b>	<b>16,997</b>	<b>1,000</b>	<b>17,997</b>
Change in net position	3,196	(887)	2,309
Net position - beginning	27,593	13,371	40,964
<b>Net position - end</b>	<b>\$ 30,789</b>	<b>\$ 12,484</b>	<b>\$ 43,273</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Introduction**

The Gateway Regional High School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

**A. Reporting Entity**

The Gateway Regional High 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 purpose of the District is to educate students in grades 7-12.

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

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

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

**B. Basic Financial Statements – District-Wide Statements**

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District's food service, child study team service, business service, and chief school administrator service programs are classified as Business-type Activities. Fiduciary Funds are excluded from the Government-wide financial statements.

In the district-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements – District-Wide Statements (Continued)**

invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activities. 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 revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.) or Business-type Activities. 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, tuition, interest income, etc.).

The District does not allocate indirect costs such as on-behalf TPAF Pension contributions and reimbursed TPAF Social Security Contributions.

The District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**C. Basic Financial Statements - Fund Financial Statements**

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

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major Funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of Major Funds. The Non-major Funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each Governmental Fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's Fiduciary Funds are presented in the Fiduciary Fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The District reports the following Governmental Funds:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

**PROPRIETARY FUNDS**

The focus of the Proprietary Funds' measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PROPRIETARY FUNDS (CONTINUED)**

**Enterprise Funds** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund, Child Study Team Fund, Business Services Fund, and Chief School Administrator Fund.

**FIDUCIARY FUNDS**

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and therefore are not available to support District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

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

Both Governmental and Business-type Activities in the District-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.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, 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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control (Continued)**

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 NJAC 6:23-2(g). Budget amendments/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. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

**F. Encumbrances**

Under encumbrance accounting purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

**G. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, 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 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.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Cash and Cash Equivalents (Continued)**

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 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 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 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 of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**H. Inventories**

Inventories, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

**I. Interfund Transactions**

Transfers between Governmental and Business-type Activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between Governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

**J. Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated.



**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Capital Assets (Continued)**

Depreciation is computed using the straight-line method over the estimated useful lives;

Asset Class	Estimated Useful Lives
Site improvements	20
Building & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

**K. Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-based payments for the employer's share of social security and Medicare taxes are included.

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**L. Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**M. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Accrued Liabilities and Long-term Obligations (Continued)**

fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**N. Net Position**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both Restricted and Unrestricted Funds are available.

**O. Fund Balance**

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

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

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

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

**Assigned** - The Assigned Fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Fund Balance (Continued)**

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

When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which Committed, Assigned, or Unassigned Fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

**P. Revenues**

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The 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. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**Q. 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.

**R. Allocation of Indirect Expenses**

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

**T. Use of Estimates**

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

**U. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, is anticipated to have an effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements." This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2017 and 2016, was \$3,695,959 and \$3,901,590. As of June 30, 2017 and 2016, \$0 of the District's bank balance of \$4,391,545 and \$4,180,628, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2017, the District did not have any investments.

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

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

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

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2017, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 541,455	\$ 405
Federal aid	276,873	24,886
Other	470,787	89,636
	<u>\$ 1,289,115</u>	<u>\$ 114,927</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 30	\$ 48,019
Enterprise Fund	48,019	
Trust Fund	6,038	
Agency Fund		6,068
	<u>\$ 54,087</u>	<u>\$ 54,087</u>

**NOTE 6: INVENTORY**

Inventory in the Food Service Fund at June 30, 2017, consisted of the following:

Food	\$ 15,307
Supplies	<u>5,087</u>
	<u>\$ 20,394</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reclassify</u>	<u>Disposals</u>	Balance <u>June 30, 2017</u>
Governmental activities:					
Sites	\$ 159,975				\$ 159,975
Construction in progress	215,783		\$ (215,783)		
Site improvements	5,650,153				5,650,153
Building & building improvements	19,057,635	\$ 531,110	215,783		19,804,528
Machinery & equipment	3,065,238	93,123		\$ 143,875	3,014,486
Totals at historical cost	<u>28,148,784</u>	<u>624,233</u>		<u>143,875</u>	<u>28,629,142</u>
Less: accumulated depreciation for:					
Site improvements	2,853,848	254,380			3,108,228
Building & building improvements	7,732,772	355,785			8,088,557
Machinery & equipment	2,394,892	175,682		143,875	2,426,699
Total accumulated depreciation	<u>12,981,512</u>	<u>785,847</u>		<u>143,875</u>	<u>13,623,484</u>
Governmental activities capital assets, net	<u>\$ 15,167,272</u>	<u>\$ (161,614)</u>			<u>\$ 15,005,658</u>
Business-type activities:					
Machinery & equipment	\$ 134,270				\$ 134,270
Less: accumulated depreciation	121,704	\$ 9,551			131,255
Business-type capital assets, net	<u>\$ 12,566</u>	<u>\$ (9,551)</u>			<u>\$ 3,015</u>

Depreciation was charged to governmental functions as follows:

Instruction	\$ 432,216
Student instruction related services	86,443
General administration	78,585
Operations & maintenance	62,867
Transportation	125,736
	<u>\$ 785,847</u>

**NOTE 8: GENERAL LONG-TERM DEBT**

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

Permanently funded debt as of June 30, 2017, consisted of the following:

\$6,275,000 General Obligation Refunding Bonds dated May 13, 2012, payable in annual installments through March 1, 2029. Interest is paid semi-annually at the rates of 3% to 4% per annum. The balance remaining at June 30, 2017, was \$5,130,000.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Bonds payable	\$ 5,500,000		\$ 370,000	\$ 5,130,000	\$ 390,000
Capital leases	75,669	\$ 164,081	52,647	187,103	50,014
Compensated absences	560,080	19,863	42,997	536,946	
	<u>\$ 6,135,749</u>	<u>\$ 183,944</u>	<u>\$ 465,644</u>	<u>\$ 5,854,049</u>	<u>\$ 440,014</u>

**Bonds Payable**

Principal and interest due on serial bonds outstanding is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 390,000	\$ 190,587	\$ 580,587
2019	400,000	178,888	578,888
2020	420,000	162,887	582,887
2021	440,000	146,088	586,088
2022	440,000	128,487	568,487
2023-2027	2,190,000	381,925	2,571,925
2028-2029	850,000	39,687	889,687
	<u>\$ 5,130,000</u>	<u>\$ 1,228,549</u>	<u>\$ 6,358,549</u>

**Bonds Authorized but Not Issued**

As of June 30, 2017, the Board had no authorized but not issued debt.

**Other**

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.



**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

For the year ended June 30, 2017, it is not necessary for the Board to establish a liability for arbitrage rebate.

**Capital Lease Payable**

The District has entered into lease purchase agreements for the acquisition of school buses. The lease agreements are for five years and carry interest rates of 2.24% to 2.49%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments, as of June 30, 2017:

Year Ended			
June 30,	Principal	Interest	Total
2018	\$ 50,014	\$ 4,334	\$ 54,348
2019	51,180	3,167	54,347
2020	52,376	1,973	54,349
2021	33,533	751	34,284
	<u>\$ 187,103</u>	<u>\$ 10,225</u>	<u>\$ 197,328</u>

**NOTE 9: PENSION FUNDS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System, (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is 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 Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 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 NJSA 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,

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9: PENSION FUNDS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)** - 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.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for TPAF and PERS increased from 5.5% of employee's annual compensation, as defined, to 6.5%. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The current TPAF and PERS rate is 7.2% of covered payroll. The District's contributions to PERS for the years ending June 30, 2017, 2016, and 2015, were \$303,916, \$289,535, and \$249,946, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$1,645,469 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District \$611,110 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts 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 27.

The District's total payroll for the years ended June 30, 2017, 2016, and 2015, was \$12,398,641, \$12,066,950, and \$11,990,613, respectively. Covered payroll was \$2,312,759, \$2,398,070, and \$2,481,480 for PERS and \$9,091,346, \$8,716,365, and \$8,796,248 for TPAF, for the same years.

For the year ended June 30, 2017, the District recognized pension expense of \$1,339,964. At June 30, 2017, 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 and actual experience	\$ 150,214	
Changes of assumptions	1,898,994	
Net difference between projected and actual earning on pension plan investments	501,302	
Changes in proportion and differences between District contributions and proportionate share of contributions	363,853	
Employer contributions subsequent to the measurement date	303,916	
	<u>\$ 3,218,279</u>	<u>None</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)** - \$303,916 reported as deferred outflows of resources related to pensions resulting from School District project contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 681,989
2019	681,989
2020	766,561
2021	623,278
2022	160,546
	<u>\$ 2,914,363</u>

Additional Information – Collective balances at June 30, 2015 and 2016, are as follows:

	June 30, 2015	June 30, 2016
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 7,815,204,785
Collective deferred inflows of resources	993,410,455	
Collective net pension liability	<u>22,447,996,119</u>	<u>29,617,131,759</u>
District's proportion	0.0336773629%	0.0342099152%

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution Pension Fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). 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 provision are established by NJSA 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 the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state 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 contributes amounts for each pay period 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's contributions for the years ending June 30, 2017, 2016, and 2015, were \$12,128, \$11,564, and \$11,364 for covered employees.

**NOTE 10: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)**

on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement medical benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

**NOTE 11: DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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.	Siracusa Benefits Program	Midland National
Metropolitan Life Insurance	AXA Equitable	

**NOTE 12: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

**NOTE 13: LABOR CONTRACTS**

As of June 30, 2017, the District has a total of approximately 274 employees. Of this total, approximately 101 employees are represented by the Gateway Regional Education Association. The union agreement will expired on June 30, 2017.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, student accidents, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District, with respect to loss claims, would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

**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. This District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable Trust Fund for the current and previous two years:

Year Ended June 30,	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2017	None	\$ 20,102	\$ 16,997	\$ 30,789
2016	None	16,142	26,531	27,593
2015	None	19,408	14,972	37,882

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Gateway Regional High School Board of Education by inclusion of \$200,000 on October 11, 2001, 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 or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity in the capital reserve for the June 30, 2017, fiscal year is as follows:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)**

Beginning balance, July 1, 2016	\$ 791,488
Interest earned	3,166
Deposits approved by resolution	200,000
Budgeted withdrawals	<u>(55,871)</u>
Ending balance, June 30, 2017	<u>\$ 938,783</u>

The June 30, 2017, LRFPA balance of local support costs of uncompleted capital projects at June 30, 2017, is \$970,919. Of the \$938,783 balance at year-end, \$188,000 was designated for use in the 2017-2018 budget leaving a balance of \$750,783.

**NOTE 16: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**Nonspendable**

Permanent Fund - On May 5, 1993, the District was the beneficiary of a distribution from the estate of Ernest R. Myers and on June 12, 1992, the District received funds from the trustees of the Wenonah-Westville Building and Loan Association. In accordance with the terms of the distributions, the principal is to be invested upon good security, and the income only, derived there from, is to be used solely for a scholarship to benefit a graduation student of Gateway Regional High School. As of June 30, 2017, the Nonspendable Fund balance was \$10,797.

**Restricted**

General Fund - In accordance with NJSA 18A:7F-7, \$3,133,497 is restricted as excess surplus (\$1,572,827 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2018).

Capital Projects Fund – The Capital Projects Fund balance as of June 30, 2017, was \$101,930.

Permanent Fund - The Permanent Fund has a restricted fund balance in the amount of \$567 as of June 30, 2017. The funds are to be solely used for a scholarship to benefit a graduating student of Gateway Regional High School.

**Assigned**

General Fund - As of June 30, 2017, the District had \$2,892 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)**

**Assigned (Continued)**

Debt Service - The Debt Service Fund balance as of June 30, 2017, was \$15,142.

**Unassigned**

General Fund - As of June 30, 2017, a deficit of \$256,361 of fund balance was unassigned.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. 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, 2017, is \$3,133,497.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$256,361 in the General Fund as of June 30, 2017, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the School District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$256,361 is less than the last state aid payments.

**NOTE 19: CONTINGENT LIABILITIES**

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The 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 which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Gateway Regional High School District that would have a material or adverse effect on the Board or the financial position of the District.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 20: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 44% of the District's 2016-2017 General Fund revenue, while local tax levy accounted for approximately 49%.

**NOTE 21: TAX ABATEMENTS**

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

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

None of the Boroughs of the sending Districts had any tax abatements for the year ended December 31, 2016.

**NOTE 22: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 and November 20, 2017, the date that the financial statements were available to be issued and no items have come to the attention of the District that would require disclosure.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 10,311,042		\$ 10,311,042	\$ 10,311,042	
Tuition	57,256		57,256	32,999	\$ (24,257)
Transportation fees	1,000,000		1,000,000	1,173,957	173,957
Interest earned on capital reserve funds	1,000		1,000	3,166	2,166
Miscellaneous	43,500		43,500	186,433	142,933
<b>Total - local sources</b>	<b>11,412,798</b>		<b>11,412,798</b>	<b>11,707,597</b>	<b>294,799</b>
State sources:					
School choice aid	563,112		563,112	563,112	
Extraordinary aid				70,652	70,652
Categorical special education aid	494,440		494,440	494,440	
Equalization aid	5,844,445		5,844,445	5,844,445	
Categorical security aid	118,138		118,138	118,138	
Categorical transportation aid	450,129		450,129	450,129	
Adjustment aid	7,128		7,128	7,128	
PARCC readiness aid	9,350		9,350	9,350	
Per pupil growth aid	9,350		9,350	9,350	
Professional learning community aid	9,780		9,780	9,780	
Host district aid	1,193		1,193	1,193	
Reimbursed nonpublic school transportation costs				9,479	9,479
TPAF - post-retirement medical (on-behalf non-budgeted)				747,352	747,352
TPAF pension contributions (on-behalf non-budgeted)				896,937	896,937
TPAF - long term disability insurance (on-behalf non-budgeted)				1,180	1,180
Reimbursed TPAF social security contributions (non-budgeted)				611,110	611,110
<b>Total - state sources</b>	<b>7,507,065</b>		<b>7,507,065</b>	<b>9,843,775</b>	<b>2,336,710</b>
Federal sources:					
Medical assistance program	22,872		22,872	37,158	14,286
ARRA Medical assistance program				1,652	1,652
<b>Total - federal sources</b>	<b>22,872</b>		<b>22,872</b>	<b>38,810</b>	<b>15,938</b>
<b>Total revenues</b>	<b>\$ 18,942,735</b>		<b>\$ 18,942,735</b>	<b>\$ 21,590,182</b>	<b>\$ 2,647,447</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Grades 6-8 - salaries of teachers	\$ 2,017,170		\$ 2,017,170	\$ 1,992,407	\$ 24,763
Grades 9-12 - salaries of teachers	2,878,716		2,878,716	2,843,285	35,431
Regular programs - home instruction:					
Salaries of teachers	28,000		28,000	15,022	12,978
Purchased professional - educational services	26,000		26,000	7,623	18,377
Regular programs - undistributed instruction:					
Purchased professional - educational services	4,000	3,000	7,000	6,900	100
Purchased technical services	71,357	(2,105)	69,252	39,473	29,779
Other purchased services	132,105	(118)	131,987	92,269	39,718
General supplies	331,406	(18,225)	313,181	220,155	93,026
Textbooks	1,000	14,516	15,516	14,515	1,001
Other objects	2,274		2,274	774	1,500
Total regular programs - instruction	<u>5,492,028</u>	<u>(2,932)</u>	<u>5,489,096</u>	<u>5,232,423</u>	<u>256,673</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	67,251		67,251	66,486	765
Other salaries for instruction	32,994		32,994	25,786	7,208
General supplies	2,500	355	2,855	2,853	2
Other objects	2,500	(355)	2,145	708	1,437
Total learning and/or language disabilities	<u>105,245</u>		<u>105,245</u>	<u>95,833</u>	<u>9,412</u>
Behavioral disabilities:					
Salaries of teachers	54,016	32,310	86,326	86,326	
Other salaries for instruction	26,575		26,575	24,425	2,150
General supplies	2,000	1,991	3,991	3,987	4
Other objects	2,500	(1,991)	509	263	246
Total behavioral disabilities	<u>85,091</u>	<u>32,310</u>	<u>117,401</u>	<u>115,001</u>	<u>2,400</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	923,651	(41,500)	882,151	871,793	10,358
Other salaries for instruction	316,454	9,190	325,644	309,565	16,079
Purchased technical services		1,110	1,110	1,110	
General supplies	8,000	55	8,055	5,588	2,467
Other objects	2,000	(1,165)	835	240	595
Total resource room/resource center	<u>1,250,105</u>	<u>(32,310)</u>	<u>1,217,795</u>	<u>1,188,296</u>	<u>29,499</u>
Home instruction:					
Salaries of teachers	15,000		15,000	4,909	10,091
Purchased professional - educational services	10,000		10,000	6,390	3,610
Total home instruction	<u>25,000</u>		<u>25,000</u>	<u>11,299</u>	<u>13,701</u>
Total special education - instruction	<u>1,465,441</u>		<u>1,465,441</u>	<u>1,410,429</u>	<u>55,012</u>
Basic skills/remedial - instruction:					
Salaries of teachers	244,366		244,366	218,169	26,197
General supplies	150		150		150
Total basic skills/remedial - instruction	<u>244,516</u>		<u>244,516</u>	<u>218,169</u>	<u>26,347</u>
Bilingual education - instruction:					
Salaries of teachers	2,500		2,500	2,500	
General supplies	275		275		275
Total bilingual education - instruction	<u>2,775</u>		<u>2,775</u>	<u>2,500</u>	<u>275</u>
School-sponsored co-curricular activities - instruction:					
Salaries	141,696		141,696	128,599	13,097
Purchased services	11,975	118	12,093	4,764	7,329
Supplies and materials	31,839	(455)	31,384	17,549	13,835
Other objects	6,650		6,650	5,508	1,142
Total school-sponsored co-curricular activities - instruction	<u>192,160</u>	<u>(337)</u>	<u>191,823</u>	<u>156,420</u>	<u>35,403</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-sponsored co-curricular athletics - instruction:					
Salaries	373,398		373,398	368,893	4,505
Purchased services	83,874	(790)	83,084	60,144	22,940
Supplies and materials	88,386	790	89,176	69,556	19,620
Other objects	28,005		28,005	20,429	7,576
<b>Total school-sponsored co-curricular athletics - instruction:</b>	<b>573,663</b>		<b>573,663</b>	<b>519,022</b>	<b>54,641</b>
<b>Total instruction and at-risk programs</b>	<b>7,970,583</b>	<b>(3,269)</b>	<b>7,967,314</b>	<b>7,538,963</b>	<b>428,351</b>
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	102,400		102,400	53,055	49,345
Tuition to county voc. school district - regular	147,750		147,750	116,460	31,290
Tuition to CSSD & regional day schools	532,920		532,920	397,467	135,453
Tuition to private schools for the disabled - within state	554,777		554,777	501,975	52,802
Tuition - other	18,427		18,427		18,427
<b>Total undistributed expenditures - instruction</b>	<b>1,356,274</b>		<b>1,356,274</b>	<b>1,068,957</b>	<b>287,317</b>
Undistributed expenditures - attendance and social work:					
Salaries	24,990		24,990	24,869	121
Purchased professional - technical services	16,762	(8,000)	8,762	3,990	4,772
<b>Total undistributed expenditures - attendance and social work</b>	<b>41,752</b>	<b>(8,000)</b>	<b>33,752</b>	<b>28,859</b>	<b>4,893</b>
Undistributed expenditures - health services:					
Salaries	119,885	(9,920)	109,965	103,234	6,731
Purchased professional - technical services	3,300	9,920	13,220	13,219	1
Other purchased services	3,100		3,100	513	2,587
Supplies and materials	4,000		4,000	2,223	1,777
Other objects	175		175		175
<b>Total undistributed expenditures - health services</b>	<b>130,460</b>		<b>130,460</b>	<b>119,189</b>	<b>11,271</b>
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	39,289		39,289	37,259	2,030
Purchased professional - educational services	21,400		21,400	6,400	15,000
Supplies and materials	1,000		1,000		1,000
<b>Total undistributed expenditures - speech, OT, PT &amp; related services</b>	<b>61,689</b>		<b>61,689</b>	<b>43,659</b>	<b>18,030</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - guidance:					
Salaries of other professional staff	482,622		482,622	476,073	6,549
Salaries of secretarial and clerical assistants	39,478		39,478	38,980	498
Other salaries	122,329		122,329	122,182	147
Purchased professional - educational services	2,738		2,738		2,738
Purchased professional - technical services	17,981		17,981	15,216	2,765
Other purchased services	9,216		9,216	7,150	2,066
Supplies and materials	13,200	(3,000)	10,200	3,714	6,486
Other objects	430		430	398	32
<b>Total undistributed expenditures - guidance</b>	<b>687,994</b>	<b>(3,000)</b>	<b>684,994</b>	<b>663,713</b>	<b>21,281</b>
Undistributed expenditures - child study team:					
Salaries of other professional staff	147,024	2,100	149,124	149,124	
Salaries of secretarial and clerical assistants	37,436		37,436	37,255	181
Other salaries	27,000	(2,370)	24,630	23,541	1,089
Purchased professional - educational services	434,733	14,275	449,008	449,007	1
Purchased professional - technical services	14,000	(1,335)	12,665	12,662	3
Miscellaneous purchased services	1,500	(1,100)	400	370	30
Supplies and materials	2,250	(1,400)	850	773	77
<b>Total undistributed expenditures - child study team</b>	<b>663,943</b>	<b>10,170</b>	<b>674,113</b>	<b>672,732</b>	<b>1,381</b>
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	390,005		390,005	355,859	34,146
Salaries of secretaries and clerical assistants	56,071		56,071	53,592	2,479
Other salaries	104,600	3,200	107,800	107,796	4
Purchased professional - educational services	75,620	(6,500)	69,120	38,820	30,300
Purchased professional - technical services	16,428		16,428	5,234	11,194
Other purchased services	16,600		16,600	10,155	6,445
Supplies and materials	13,650		13,650	9,199	4,451
Other objects	14,850		14,850	9,174	5,676
<b>Total undistributed expenditures - improvement of inst. services</b>	<b>687,824</b>	<b>(3,300)</b>	<b>684,524</b>	<b>589,829</b>	<b>94,695</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	127,660	(10,491)	117,169	114,626	2,543
Salaries of technical coordinators	209,788	(2,030)	207,758	205,749	2,009
Purchased professional - technical services	8,000	(560)	7,440	7,437	3
Other purchased services	11,483	(773)	10,710	9,010	1,700
Supplies and materials	8,958	6,684	15,642	15,556	86
Other objects	250		250		250
Total Undistributed expenditures - edu. media serv./sch. library	<u>366,139</u>	<u>(7,170)</u>	<u>358,969</u>	<u>352,378</u>	<u>6,591</u>
Undistributed expenditures - instructional staff training					
Other purchased services	4,575		4,575	145	4,430
Total undistributed expenditures - instructional staff training	<u>4,575</u>		<u>4,575</u>	<u>145</u>	<u>4,430</u>
Undistributed expenditures - supp. serv. - general administration:					
Salaries	177,586	230	177,816	177,816	
Legal services	11,000		11,000	8,093	2,907
Audit fees	28,500		28,500	25,850	2,650
Architectural/engineering services	8,500		8,500	3,979	4,521
Other purchased professional services	500		500		500
Communications/telephone	45,000	13,000	58,000	34,995	23,005
BOE other purchased services	150		150		150
Other purchased services	79,175	3,418	82,593	66,864	15,729
General supplies	4,750		4,750	4,425	325
Miscellaneous expenditures	2,500	(323)	2,177	940	1,237
BOE membership dues and fees	10,200	(325)	9,875	8,891	984
Total undistributed expenditures - supp. serv. - general administration	<u>367,861</u>	<u>16,000</u>	<u>383,861</u>	<u>331,853</u>	<u>52,008</u>



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - supp. serv. - school administration:					
Salaries of principals/assistant principals/program directors	334,002		334,002	303,733	30,269
Salaries of secretarial and clerical assistants	79,087		79,087	72,038	7,049
Purchased professional - technical services	3,300	(3,142)	158		158
Other purchased services	6,495	8,314	14,809	10,122	4,687
Supplies and materials	15,842	6,463	22,305	21,285	1,020
Other objects	10,965	(1,635)	9,330	8,317	1,013
Total undistributed expenditures - supp. serv. - school administration:	<u>449,691</u>	<u>10,000</u>	<u>459,691</u>	<u>415,495</u>	<u>44,196</u>
Undistributed expenditures - central services:					
Salaries	277,916	2,750	280,666	264,825	15,841
Purchased professional services	21,000	(14,800)	6,200	6,200	
Purchased technical services	1,000	34,200	35,200	35,200	
Miscellaneous purchased services	6,036		6,036	5,857	179
Supplies and materials	4,500		4,500	4,067	433
Interest on lease purchase	3,000	(3,000)			
Miscellaneous expenditures	2,250	150	2,400	2,376	24
Total undistributed expenditures - central services	<u>315,702</u>	<u>19,300</u>	<u>335,002</u>	<u>318,525</u>	<u>16,477</u>
Undistributed expenditures - required maintenance for school facilities:					
Salaries	87,453	30	87,483	87,473	10
Cleaning, repair, and maintenance services	136,250	(1,130)	135,120	128,292	6,828
General supplies	61,737	(800)	60,937	44,461	16,476
Miscellaneous expenditures		1,100	1,100	1,100	
Total undistributed expenditures - required maintenance for school facilities	<u>285,440</u>	<u>(800)</u>	<u>284,640</u>	<u>261,326</u>	<u>23,314</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - custodial services:					
Salaries	581,504		581,504	578,700	2,804
Purchased professional - technical services	8,490		8,490	3,678	4,812
Cleaning, repair, and maintenance services	24,075	(5,895)	18,180	16,645	1,535
Other purchased property services	73,750	5,895	79,645	68,861	10,784
Insurance	164,820		164,820	162,652	2,168
General supplies	70,380	7,050	77,430	77,426	4
Energy (natural gas)	105,000	(16,000)	89,000	65,907	23,093
Energy (electricity)	290,000	(24,250)	265,750	214,621	51,129
Other objects	3,400		3,400	2,474	926
Total undistributed expenditures - custodial services	<u>1,321,419</u>	<u>(33,200)</u>	<u>1,288,219</u>	<u>1,190,964</u>	<u>97,255</u>
Total undistributed expenditures - oper. & maint. of plant services	<u>1,606,859</u>	<u>(34,000)</u>	<u>1,572,859</u>	<u>1,452,290</u>	<u>120,569</u>
Undistributed expenditures - student transportation services:					
Salaries for pupils trans. (bet. home & school) - regular	273,443		273,443	267,539	5,904
Salaries for pupils trans. (bet. home & school) - special	637,163		637,163	573,993	63,170
Salaries for pupils trans. (bet. home & school) - nonpublic school	153,298		153,298	148,338	4,960
Cleaning, repair and maintenance services	28,000	11,276	39,276	39,275	1
Lease purchase payments - school buses	102,083	(47,650)	54,433	54,348	85
Contract services - aid in lieu of payments	33,150	3,985	37,135	35,360	1,775
Contract services (special ed. students) joint agreements	112,000	32,885	144,885	144,881	4
Miscellaneous purchased services - transportation	3,000	(2,210)	790	790	790
General supplies	226,650	(56,049)	170,601	149,165	21,436
Other objects	12,500		12,500	10,776	1,724
Total undistributed expenditures - student transportation services:	<u>1,581,287</u>	<u>(57,763)</u>	<u>1,523,524</u>	<u>1,423,675</u>	<u>99,849</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Social security contributions	290,000		290,000	276,262	13,738
Other retirement contributions - PERS	329,616		329,616	321,357	8,259
Unemployment compensation	1,500		1,500		1,500
Workmen's compensation	147,100		147,100	146,943	157
Health benefits	2,573,935	(46,200)	2,527,735	2,387,564	140,171
Tuition reimbursement	42,000		42,000	30,900	11,100
Other employee benefits	120,320	46,200	166,520	166,495	25
Unused sick payments to terminated/retired staff	35,929		35,929	12,000	23,929
<b>Total unallocated benefits - employee benefits</b>	<b>3,540,400</b>		<b>3,540,400</b>	<b>3,341,521</b>	<b>198,879</b>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				896,937	(896,937)
On-behalf TPAF OPEB (post-retirement medical) contributions (non-budgeted)				747,352	(747,352)
On-behalf TPAF long term disability (non-budgeted)				1,180	(1,180)
Reimbursed TPAF social security contributions (non-budgeted)				611,110	(611,110)
<b>Total on-behalf contributions</b>				<b>2,256,579</b>	<b>(2,256,579)</b>
<b>Total personal services - employee benefits</b>	<b>3,540,400</b>		<b>3,540,400</b>	<b>5,598,100</b>	<b>(2,057,700)</b>
<b>Total undistributed expenditures</b>	<b>11,862,450</b>	<b>(57,763)</b>	<b>11,804,687</b>	<b>13,079,399</b>	<b>(1,274,712)</b>
<b>Total general current expense</b>	<b>19,833,033</b>	<b>(61,032)</b>	<b>19,772,001</b>	<b>20,618,362</b>	<b>(846,361)</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Interest deposited to capital reserve	1,000		1,000		1,000
Non-instructional equipment - athletics	4,650		4,650		4,650
Equipment:					
Undistributed - instruction	19,817	3,269	23,086	22,894	192
Undistributed - support services	5,100	(4,976)	124		124
Undistributed - general administration		2,488	2,488	2,488	
Undistributed - central services		2,488	2,488	2,488	
Undistributed - custodial services	7,490		7,490	7,490	
School buses - special		57,763	57,763	57,762	1
Total equipment	32,407	61,032	93,439	93,122	317
Facilities acquisition and construction services:					
Assessment for debt service on SDA funding	84,175		84,175	84,175	
Total facilities acquisition and construction services	84,175		84,175	84,175	
Assets acquired under capital leases (non-budgeted):					
Undistributed expenditures:					
School buses				164,081	(164,081)
Total capital outlay	122,232	61,032	183,264	341,378	(158,114)
Total expenditures	19,955,265		19,955,265	20,959,740	(1,004,475)
Excess (deficiency) of revenues over (under) expenditures	(1,012,530)		(1,012,530)	630,442	1,642,972

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources:					
Operating transfer in/(out):					
Capital reserve - transfer for capital projects	(76,779)		(76,779)	(72,997)	(3,782)
Prior year receivables canceled				(27,866)	27,866
Capital leases (non-budgeted)				164,081	(164,081)
Total other financing sources	<u>(76,779)</u>		<u>(76,779)</u>	<u>63,218</u>	<u>(139,997)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,089,309)		(1,089,309)	693,660	1,502,975
Fund balance, July 1	3,833,885		3,833,885	3,833,885	
Fund balance, June 30	<u>\$ 2,744,576</u>		<u>\$ 2,744,576</u>	<u>\$ 4,527,545</u>	<u>\$ 1,502,975</u>
Recapitulation:					
Restricted fund balance:					
Excess surplus designated for subsequent year's expenditures				\$ 1,572,827	
Excess surplus - current year				1,560,670	
Capital reserve				750,783	
Capital reserve designated for subsequent year expenditures				188,000	
Assigned fund balance:					
Year-end encumbrances				2,892	
Unassigned fund balance				452,373	
				<u>4,527,545</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(708,734)	
Fund balance per governmental funds (GAAP)				<u>\$ 3,818,811</u>	

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 85,116		\$ 85,116	\$ 78,670	\$ (6,446)
Federal sources	439,332		439,332	402,416	(36,916)
<b>Total revenues</b>	<b><u>\$ 524,448</u></b>		<b><u>\$ 524,448</u></b>	<b><u>\$ 481,086</u></b>	<b><u>\$ (43,362)</u></b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 104,888		\$ 104,888	\$ 102,899	\$ 1,989
Purchased professional - technical services	10,024		10,024	9,024	1,000
Purchased professional - educational services	11,412		11,412	11,050	362
Other purchased services	61,498	\$ (61)	61,437	55,353	6,084
Tuition	229,501	5,296	234,797	224,016	10,781
General supplies	12,869	(5,296)	7,573	3,011	4,562
Textbooks	6,859		6,859	6,859	
<b>Total instruction</b>	<b><u>437,051</u></b>	<b><u>(61)</u></b>	<b><u>436,990</u></b>	<b><u>412,212</u></b>	<b><u>24,778</u></b>
Support services:					
Salaries	13,947	(2,240)	11,707	5,907	5,800
Personal services - employee benefits	16,596	2,575	19,171	18,778	393
Purchased professional - educational services	47,662		47,662	37,390	10,272
Other purchased services	5,000	(247)	4,753	2,753	2,000
Supplies and materials	4,192	(27)	4,165	4,046	119
<b>Total support services</b>	<b><u>87,397</u></b>	<b><u>61</u></b>	<b><u>87,458</u></b>	<b><u>68,874</u></b>	<b><u>18,584</u></b>
<b>Total expenditures</b>	<b><u>\$ 524,448</u></b>		<b><u>\$ 524,448</u></b>	<b><u>\$ 481,086</u></b>	<b><u>\$ 43,362</u></b>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2017

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 21,590,182	\$ 481,086
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	682,381	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the following year.	(708,734)	
	<u>\$ 21,563,829</u>	<u>\$ 481,086</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 20,959,740	\$ 481,086
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 financial reporting purposes.		
	<u>\$ 20,959,740</u>	<u>\$ 481,086</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.		



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS  
 Last Three Fiscal Years

	Fiscal Year Ended		
	June 30, 2015	June 30, 2016	June 30, 2017
District's proportion of the net pension liability (asset)	0.0303190651%	0.0336773629%	0.0342099152%
District's proportionate share of the net pension liability (asset)	\$ 5,676,558	\$ 7,559,893	\$ 10,131,996
District's covered-employee payroll	2,010,231	2,177,425	2,120,627
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	282.38%	347.19%	477.78%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of District Contributions - PERS  
 Last Three Fiscal Years

	Fiscal Year Ended		
	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 249,946	\$ 289,535	\$ 303,916
Contributions in relation to the contractually required contribution	<u>249,946</u>	<u>289,535</u>	<u>303,916</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 2,010,231	\$ 2,177,425	\$ 2,120,627
Contributions as a percentage of covered-employee payroll	12.43%	13.30%	14.33%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF  
 Last Three Fiscal Years

	Fiscal Year Ended		
	June 30, 2015	June 30, 2016	June 30, 2017
District's proportion of the net pension liability (asset)	0.0781414459%	0.0765392131%	0.7897638290%
District's proportionate share of the net pension liability (asset)	\$ 41,764,060	\$ 48,376,051	\$ 62,127,851
District's covered-employee payroll	7,835,258	8,147,501	8,424,438
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	533.03%	593.75%	737.47%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016

The data in the above schedule represents the allocation of the State of New Jersey's obligation *on behalf* of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III  
JUNE 30, 2017**

**NOTE 1: CONTRIBUTIONS**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The actuarial valuation used the following actuarial assumptions:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Tables for male and female active participants. For local employees, mortality tables are setback 2 years for males and 7 years for females. In addition, the table provides for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

## OTHER SUPPLEMENTARY INFORMATION



**SPECIAL REVENUE FUND**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2017

	Total Brought Forward (Exhibit E-1a)	Title I	Title II Part A	IDEA Basic	IIS Competitive	Total
<b>REVENUES:</b>						
Federal sources		\$ 132,022	\$ 12,911	\$ 251,416	\$ 6,067	\$ 402,416
State sources	\$ 78,670					78,670
<b>Total revenues</b>	<b>\$ 78,670</b>	<b>\$ 132,022</b>	<b>\$ 12,911</b>	<b>\$ 251,416</b>	<b>\$ 6,067</b>	<b>\$ 481,086</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers		\$ 102,899				\$ 102,899
Purchased professional - technical services	\$ 9,024					9,024
Purchased professional - educational services	11,050					11,050
Other purchased services	51,737				\$ 3,616	55,353
Tuition				\$ 224,016		224,016
General supplies		3,011				3,011
Textbooks	6,859					6,859
<b>Total instruction</b>	<b>78,670</b>	<b>105,910</b>		<b>224,016</b>	<b>3,616</b>	<b>412,212</b>
Support services:						
Salaries		3,630			2,277	5,907
Personal services - employees benefits		18,604			174	18,778
Purchased professional - educational services			9,990	27,400		37,390
Other purchased services		2,753				2,753
Supplies and materials		1,125	2,921			4,046
<b>Total support services</b>		<b>26,112</b>	<b>12,911</b>	<b>27,400</b>	<b>2,451</b>	<b>68,874</b>
<b>Total expenditures</b>	<b>\$ 78,670</b>	<b>\$ 132,022</b>	<b>\$ 12,911</b>	<b>\$ 251,416</b>	<b>\$ 6,067</b>	<b>\$ 481,086</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2017

	Total Brought Forward (Exhibit E-1b)	Nonpublic Textbook	Nonpublic Nursing Services	Nonpublic Technology	Total Carried Forward
<b>REVENUES:</b>					
State sources	\$ 58,591	\$ 6,859	\$ 10,710	\$ 2,510	\$ 78,670
Total revenues	<u>\$ 58,591</u>	<u>\$ 6,859</u>	<u>\$ 10,710</u>	<u>\$ 2,510</u>	<u>\$ 78,670</u>
<b>EXPENDITURES:</b>					
Instruction:					
Purchased professional - technical services	\$ 9,024				\$ 9,024
Purchased professional - educational services	11,050				11,050
Other purchased services	38,517		\$ 10,710	\$ 2,510	51,737
Textbooks		\$ 6,859			6,859
Total instruction	<u>58,591</u>	<u>6,859</u>	<u>10,710</u>	<u>2,510</u>	<u>78,670</u>
Total expenditures	<u>\$ 58,591</u>	<u>\$ 6,859</u>	<u>\$ 10,710</u>	<u>\$ 2,510</u>	<u>\$ 78,670</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	<u>Nonpublic Handicapped Services</u>			<u>Nonpublic Auxiliary Services</u>		<u>Total Carried Forward</u>
	<u>Corr Speech</u>	<u>Exam &amp; Class</u>	<u>Supp Inst</u>	<u>Comp Ed</u>	<u>Transp</u>	
REVENUES:						
State sources	\$ 1,679	\$ 9,371	\$ 9,024	\$ 34,847	\$ 3,670	\$ 58,591
Total revenues	<u>\$ 1,679</u>	<u>\$ 9,371</u>	<u>\$ 9,024</u>	<u>\$ 34,847</u>	<u>\$ 3,670</u>	<u>\$ 58,591</u>
EXPENDITURES:						
Instruction:						
Purchased professional - technical services			\$ 9,024			\$ 9,024
Purchased professional - educational services	\$ 1,679	\$ 9,371				11,050
Other purchased services				\$ 34,847	\$ 3,670	38,517
Total instruction	<u>1,679</u>	<u>9,371</u>	<u>9,024</u>	<u>34,847</u>	<u>3,670</u>	<u>58,591</u>
Total expenditures	<u>\$ 1,679</u>	<u>\$ 9,371</u>	<u>\$ 9,024</u>	<u>\$ 34,847</u>	<u>\$ 3,670</u>	<u>\$ 58,591</u>

## **CAPITAL PROJECTS FUND**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2017

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Replacing Existing Roof System and Refurbishing the 300 Wing Elevator	11/30/2015	\$ 423,036	\$ 83,181	\$ 237,925	\$ 101,930

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budgetary Basis  
 for the Year Ended June 30, 2017

<b>Revenues and other financing sources:</b>	
Capital reserve - transfer for capital projects	\$ 72,997
 <b>Expenditures and other financing uses:</b>	
Construction services	310,922
Excess (deficiency) of revenues over (under) expenditures	<u>(237,925)</u>
Fund balance - beginning	339,855
Fund balance - ending	<u><u>\$ 101,930</u></u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Replacing Existing Roof System and Refurbishing the 300 Wing Elevator  
 From Inception and for the Year Ended June 30, 2017

	<u>Prior Period</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 423,036		\$ 423,036	\$ 423,036
Total revenues	<u>423,036</u>		<u>423,036</u>	<u>423,036</u>
Expenditures and other financing uses:				
Purchased professional and technical services	8,551		8,551	84,607
Construction services	74,630	\$ 237,925	312,555	338,429
Total expenditures	<u>83,181</u>	<u>237,925</u>	<u>321,106</u>	<u>423,036</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 339,855</u>	<u>\$ (237,925)</u>	<u>\$ 101,930</u>	
Additional project information:				
Project Number			SP#1715-050-14-1001	
Grant Date/Letter of Notification			11/30/2015	
Original project authorized cost			\$ 423,036	
Percentage completion			76%	
Original target completion date			9/30/2017	



## PROPRIETARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 154,462	\$ 55,539		\$ 64,349	\$ 274,350
Receivables, net	34,645	63,532		16,750	114,927
Interfund receivable	48,019				48,019
Inventory	20,394				20,394
Capital assets, net	3,015				3,015
Total assets	<u>260,535</u>	<u>119,071</u>		<u>\$ 81,099</u>	<u>460,705</u>
<b>LIABILITIES</b>					
Deficit in cash			\$ 4,296		4,296
Accounts payable	133,213	6,973			140,186
Deferred revenue	9,043				9,043
Total liabilities	<u>142,256</u>	<u>6,973</u>	<u>4,296</u>		<u>153,525</u>
<b>NET POSITION</b>					
Investment in capital assets, net of related debt	3,015				3,015
Unrestricted	115,264	112,098	(4,296)	\$ 81,099	304,165
Total net position	<u>\$ 118,279</u>	<u>\$ 112,098</u>	<u>\$ (4,296)</u>	<u>\$ 81,099</u>	<u>\$ 307,180</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses,  
and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
Operating revenues:					
Charges for services:					
Daily sales - reimbursable programs	\$ 147,664				\$ 147,664
Daily sales - non-reimbursable programs	212,140				212,140
Special functions	30,160				30,160
Services provided to other entities		\$ 817,483	\$ 206,100	\$ 67,000	1,090,583
Total operating revenue	<u>389,964</u>	<u>817,483</u>	<u>206,100</u>	<u>67,000</u>	<u>1,480,547</u>
Operating expenses					
Cost of sales - reimbursable programs	280,283				280,283
Cost of sales - non-reimbursable programs	74,249				74,249
Salaries	265,221	560,789	202,318	53,310	1,081,638
Employee benefits	78,080	140,532		5,354	223,966
Purchased professional/educational services		9,883			9,883
Other purchased services	8,296	9,930	1,079	1,387	20,692
Contracted services	66,000				66,000
Operations and maintenance	10,421				10,421
Supplies and materials	58,382	13,264	2,365		74,011
Miscellaneous expenditures	10,886	1,274	159		12,319
Depreciation	9,551				9,551
Total operating expenses	<u>861,369</u>	<u>735,672</u>	<u>205,921</u>	<u>60,051</u>	<u>1,863,013</u>
Operating income (loss)	<u>(471,405)</u>	<u>81,811</u>	<u>179</u>	<u>6,949</u>	<u>(382,466)</u>
Non-operating revenues (expenses):					
Interest earned	701				701
State sources:					
State school lunch program	6,586				6,586
Federal sources:					
School breakfast program	113,615				113,615
National school lunch program	271,124				271,124
Special milk program	443				443
After school snack program	5,004				5,004
Food distribution program commodities	72,244				72,244
Total non-operating revenues (expenses)	<u>469,717</u>				<u>469,717</u>
Change in net position	(1,688)	81,811	179	6,949	87,251
Total net position - beginning	119,967	30,287	(4,475)	74,150	219,929
Total net position - ending	<u>\$ 118,279</u>	<u>\$ 112,098</u>	<u>\$ (4,296)</u>	<u>\$ 81,099</u>	<u>\$ 307,180</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
Cash flows from operating activities:					
Receipts from customers	\$ 427,507	\$ 753,952	\$ 206,100	\$ 50,250	\$ 1,437,809
Payments to employees	(265,221)	(560,789)	(202,318)	(53,310)	(1,081,638)
Payments for employee benefits	(78,080)	(140,532)		(5,354)	(223,966)
Payments to suppliers	(502,805)	(33,083)	(3,603)	(1,387)	(540,878)
Net cash provided by (used for) operating activities	<u>(418,599)</u>	<u>19,548</u>	<u>179</u>	<u>(9,801)</u>	<u>(408,673)</u>
Cash flows from non-capital financing activities:					
State sources	7,351				7,351
Federal sources	386,297				386,297
Net cash provided by non-capital financing activities	<u>393,648</u>				<u>393,648</u>
Cash flows from investing activities					
Interest earned	701				701
Net cash provided by investing activities	<u>701</u>				<u>701</u>
Net increase (decrease) in cash and cash equivalents	(24,250)	19,548	179	(9,801)	(14,324)
Balance - beginning of year	178,712	35,991	(4,475)	74,150	284,378
Balance - end of year	<u>\$ 154,462</u>	<u>\$ 55,539</u>	<u>\$ (4,296)</u>	<u>\$ 64,349</u>	<u>\$ 270,054</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (471,405)	\$ 81,811	\$ 179	\$ 6,949	\$ (382,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	9,551				9,551
Food distribution program	72,244				72,244
(Increase) decrease in accounts receivable	36,555	(63,532)		(16,750)	(43,727)
(Increase) decrease in inventory	6,446				6,446
Increase (decrease) in accounts payable	(71,990)	1,269			(70,721)
Net cash provided by (used for) operating activities	<u>\$ (418,599)</u>	<u>\$ 19,548</u>	<u>\$ 179</u>	<u>\$ (9,801)</u>	<u>\$ (408,673)</u>

## FIDUCIARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2017

	Trust		Agency		Total 2017
	Unemployment Compensation	Private Purpose	Student Activity	Payroll	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 24,751	\$ 12,484	\$ 263,548	\$ 124,561	\$ 425,344
Interfund receivable	6,038				6,038
Total assets	<u>\$ 30,789</u>	<u>\$ 12,484</u>	<u>\$ 263,548</u>	<u>\$ 124,561</u>	<u>431,382</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings				\$ 118,493	118,493
Due to student groups			\$ 263,548		263,548
Interfund payable				6,068	6,068
Total liabilities			<u>\$ 263,548</u>	<u>\$ 124,561</u>	<u>388,109</u>
<b>NET POSITION</b>					
Held in trust for unemployment claims	\$ 30,789				30,789
Reserved for scholarships		\$ 12,484			12,484
Total net position	<u>\$ 30,789</u>	<u>\$ 12,484</u>			<u>\$ 43,273</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation	Private Purpose	Total 2017
<b>ADDITIONS:</b>			
Contributions	\$ 20,102		\$ 20,102
Interest earned	91	\$ 113	204
Total additions	<u>20,193</u>	<u>113</u>	<u>20,306</u>
<b>DEDUCTIONS:</b>			
Unemployment claims	16,997		16,997
Transfer for scholarships		1,000	1,000
Total deductions	<u>16,997</u>	<u>1,000</u>	<u>17,997</u>
Change in net position	3,196	(887)	2,309
Net position - beginning	<u>27,593</u>	<u>13,371</u>	<u>40,964</u>
Net position - end	<u>\$ 30,789</u>	<u>\$ 12,484</u>	<u>\$ 43,273</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
ACTIVITIES:				
Gateway Regional	<u>\$ 222,291</u>	<u>\$ 522,748</u>	<u>\$ 481,491</u>	<u>\$ 263,548</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 114,888	\$ 13,531,028	\$ 13,521,355	\$ 124,561
Total assets	<u>\$ 114,888</u>	<u>\$ 13,531,028</u>	<u>\$ 13,521,355</u>	<u>\$ 124,561</u>
<b>LIABILITIES</b>				
Net pay		\$ 7,303,375	\$ 7,303,375	
Payroll deductions and withholdings	\$ 109,039	6,209,675	6,200,221	\$ 118,493
Interfund payable				
General fund	55	737	762	30
Unemployment trust	5,794	17,241	16,997	6,038
Total liabilities	<u>\$ 114,888</u>	<u>\$ 13,531,028</u>	<u>\$ 13,521,355</u>	<u>\$ 124,561</u>



## **LONG-TERM DEBT**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Retired	Balance June 30, 2017
			Date	Amount				
Refunding School Bonds, Series 2012	5/13/12	\$ 6,275,000	3/1/18	\$ 390,000	3.000%			
			3/1/19	400,000	4.000%			
			3/1/20	420,000	4.000%			
			3/1/21-24	440,000	4.000%			
			3/1/25	440,000	3.750%			
			3/1/26-27	435,000	3.750%			
			3/1/28	430,000	3.125%			
			3/1/29	420,000	3.125%			
					\$ 5,500,000	\$ 370,000	\$ 5,130,000	
					<u>\$ 5,500,000</u>	<u>\$ 370,000</u>	<u>\$ 5,130,000</u>	

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2017

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017
			Principal	Interest					
School bus	12/10/15	5 Years	\$ 95,669	\$ 4,579	2.49%	\$ 75,669		\$ 18,361	\$ 57,308
School bus	9/20/16	5 Years	112,670	5,046	2.24%		\$ 112,670	23,543	89,127
School bus	9/20/16	5 Years	51,411	2,303	2.24%		51,411	10,743	40,668
						<u>\$ 75,669</u>	<u>\$ 164,081</u>	<u>\$ 52,647</u>	<u>\$ 187,103</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 571,688		\$ 571,688	\$ 571,688	
Total revenues	<u>571,688</u>		<u>571,688</u>	<u>571,688</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	201,688		201,688	201,688	
Redemption of principal	370,000		370,000	370,000	
Total expenditures	<u>571,688</u>		<u>571,688</u>	<u>571,688</u>	
Excess (deficiency) of revenue over (under) expenditures					
Fund balance, July 1	15,142		15,142	15,142	
Fund balance, June 30	<u>\$ 15,142</u>		<u>\$ 15,142</u>	<u>\$ 15,142</u>	

**STATISTICAL SECTION  
(Unaudited)**

**Gateway Regional High School District  
Statistical Section**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	104-109
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	110-117
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	118-124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	125-127
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	128-132

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting District-wide information include information beginning in that year.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Net Position by Component  
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Invested in capital assets, net of related debt	\$ 9,846,870	\$ 96,635,820	\$ 10,661,908	\$ 10,288,712	\$ 10,082,430	\$ 9,910,437	\$ 9,928,469	\$ 9,678,422	\$ 9,667,272	\$ 9,875,658
Restricted	2,291,233	2,226,750	1,190,223	1,639,229	2,679,114	3,035,257	3,105,499	3,145,944	3,760,309	4,192,244
Unrestricted	(322,539)	(103,071)	(835,574)	(681,102)	(584,397)	(831,752)	(871,557)	(6,483,150)	(6,755,886)	(7,882,764)
Total governmental activities net position	<u>\$ 11,815,564</u>	<u>\$ 98,759,499</u>	<u>\$ 11,016,557</u>	<u>\$ 11,246,839</u>	<u>\$ 12,177,147</u>	<u>\$ 12,113,942</u>	<u>\$ 12,162,411</u>	<u>\$ 6,341,216</u>	<u>\$ 6,671,695</u>	<u>\$ 6,185,138</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 67,257	\$ 67,910	\$ 57,796	\$ 47,908	\$ 39,291	\$ 30,702	\$ 22,733	\$ 15,400	\$ 12,566	\$ 3,015
Unrestricted	77,942	82,658	102,985	96,122	87,968	149,740	177,820	173,090	207,363	304,165
Total business-type activities net position	<u>\$ 145,199</u>	<u>\$ 150,568</u>	<u>\$ 160,781</u>	<u>\$ 144,030</u>	<u>\$ 127,259</u>	<u>\$ 180,442</u>	<u>\$ 200,553</u>	<u>\$ 188,490</u>	<u>\$ 219,929</u>	<u>\$ 307,180</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 9,914,127	\$ 96,703,730	\$ 10,719,704	\$ 10,336,620	\$ 10,121,721	\$ 9,941,139	\$ 9,951,202	\$ 9,693,822	\$ 9,679,838	\$ 9,878,673
Restricted	2,291,233	2,226,750	1,190,223	1,639,229	2,679,114	3,035,257	3,105,499	3,145,944	3,760,309	4,192,244
Unrestricted	(244,597)	(20,413)	(732,589)	(584,980)	(496,429)	(682,012)	(693,737)	(6,310,060)	(6,548,523)	(7,578,599)
Total district-wide net position	<u>\$ 11,960,763</u>	<u>\$ 98,910,067</u>	<u>\$ 11,177,338</u>	<u>\$ 11,390,869</u>	<u>\$ 12,304,406</u>	<u>\$ 12,294,384</u>	<u>\$ 12,362,964</u>	<u>\$ 6,529,706</u>	<u>\$ 6,891,624</u>	<u>\$ 6,492,318</u>

Source: District records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>EXPENSES:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 5,599,864	\$ 5,641,051	\$ 5,684,631	\$ 5,410,739	\$ 5,542,377	\$ 5,469,950	\$ 5,269,382	\$ 5,537,714	\$ 5,520,080	\$ 5,635,366
Special education	1,107,489	1,077,954	1,067,291	1,111,749	1,175,624	1,560,121	1,567,448	1,807,084	1,750,519	1,822,641
Other special instruction	248,892	300,853	317,491	289,413	210,324	221,101	212,750	221,276	234,488	220,669
Other instruction	606,498	642,625	619,369	568,644	586,662	602,544	644,010	656,434	647,136	675,442
Support services:										
Tuition	969,649	1,244,874	1,209,425	1,178,737	918,211	1,106,724	1,291,133	1,333,312	1,280,647	1,068,957
Student & instruction related services	1,876,395	1,868,809	2,043,977	2,085,929	2,161,401	2,296,122	2,478,507	2,611,198	2,616,618	2,625,875
School administrative services	386,522	428,163	461,517	449,881	458,842	394,566	405,517	395,346	405,275	410,438
General and business administrative services	756,936	715,527	717,471	673,057	602,198	707,759	712,571	687,307	737,587	423,278
Plant operations and maintenance	1,606,663	1,508,894	1,602,784	1,416,703	1,431,505	1,452,207	1,603,274	1,507,795	1,454,688	318,525
Pupil transportation	1,216,793	1,331,853	1,347,211	1,302,595	1,447,177	1,474,172	1,477,332	1,466,549	1,468,449	1,515,158
Employee benefits	3,511,578	3,112,202	3,415,971	3,331,965	3,622,456	4,192,442	4,264,262	4,617,551	5,337,211	1,496,763
Special schools			3							6,632,504
Interest on long-term debt	323,225	313,850	303,975	293,727	225,717	200,523	126,155	109,576	207,838	28,067
Capital outlay		137,554				186,903	235,038	222,837	334,701	201,688
Amortization of bond issuance costs	2,305	2,305	2,305	2,305	2,502					
Total governmental activities expenses	18,212,809	18,326,512	18,793,421	18,115,444	18,384,996	19,865,134	20,287,379	21,173,979	21,995,237	23,075,371
Business-type activities:										
Food service	629,535	606,103	656,395	677,374	734,613	705,123	752,797	822,659	793,660	861,369
Child study team	534,705	536,886	555,153	641,418	683,029	685,861	726,137	733,364	704,043	735,672
Business services	163,407	173,305	174,457	170,841	190,054	200,375	195,071	197,476	195,012	205,921
Chief school administrator services			76,332	106,734	71,967	55,865	51,866	56,627	58,351	60,051
Total business-type activities expense	1,327,647	1,316,294	1,462,337	1,596,367	1,679,663	1,647,224	1,725,871	1,810,126	1,751,066	1,863,013
Total district expenses	\$ 19,540,456	\$ 19,642,806	\$ 20,255,758	\$ 19,711,811	\$ 20,064,659	\$ 21,512,358	\$ 22,013,250	\$ 22,984,105	\$ 23,746,303	\$ 24,938,384
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services:										
Pupil transportation	\$ 991,780	\$ 1,080,396	\$ 1,060,387	\$ 1,064,193	\$ 1,193,026					
Operating grants and contributions	2,223,258	1,540,260	1,561,497	1,608,393	1,766,640	\$ 422,755	\$ 468,416	\$ 610,881	\$ 512,440	\$ 481,086
Total governmental activities program revenues	3,215,038	2,620,657	2,621,884	2,672,586	2,959,666	422,755	468,416	610,881	512,440	481,086



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services:										
Food service	352,861	378,108	388,645	382,810	381,686	394,822	399,861	368,619	375,002	389,964
Child study team	528,883	532,000	555,859	615,489	683,929	712,116	712,197	725,171	696,367	817,483
Business services	157,000	172,931	172,450	177,475	181,026	185,560	192,060	197,830	205,400	206,100
Chief school administrator			86,750	115,042	82,250	67,000	67,000	67,000	67,000	67,000
Operating grants and contributions	225,090	230,814	259,068	291,669	330,624	340,107	376,592	438,762	438,062	469,016
Total business type activities program revenues	1,263,834	1,313,853	1,462,772	1,582,485	1,659,515	1,699,605	1,747,710	1,797,382	1,781,831	1,949,563
Total district program revenues	\$ 4,478,872	\$ 3,934,510	\$ 4,084,656	\$ 4,255,071	\$ 4,619,181	\$ 2,122,360	\$ 2,216,126	\$ 2,408,263	\$ 2,294,271	\$ 2,430,649
<b>NET (EXPENSE)/REVENUE:</b>										
Governmental activities	\$ (14,997,771)	\$ (15,705,856)	\$ (16,171,537)	\$ (15,442,858)	\$ (15,425,330)	\$ (19,442,379)	\$ (19,818,963)	\$ (20,563,098)	\$ (21,482,797)	\$ (22,594,285)
Business-type activities	(63,813)	(2,441)	435	(13,882)	(20,148)	52,381	21,839	(12,744)	30,765	86,550
Total district-wide net expense	\$ (15,061,584)	\$ (15,708,297)	\$ (16,171,102)	\$ (15,456,740)	\$ (15,445,478)	\$ (19,389,998)	\$ (19,797,124)	\$ (20,575,842)	\$ (21,452,032)	\$ (22,507,735)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 7,905,889	\$ 8,146,697	\$ 8,504,383	\$ 8,764,558	\$ 8,890,249	\$ 9,023,605	\$ 9,204,077	\$ 9,388,159	\$ 9,849,922	\$ 10,311,042
Taxes levied for debt service	571,288	577,099	577,350	577,225	581,725	570,128	565,038	567,839	567,838	571,688
Unrestricted grants and contributions	6,884,039	6,843,741	6,216,819	6,467,153	7,016,136	8,617,306	8,869,396	9,157,806	9,967,851	9,856,232
Transportation fees						1,120,850	1,160,762	1,091,460	1,174,765	1,173,957
Tuition received	35,911	36,763	76,251	43,978	64,230	38,900	32,319	135,626	186,710	32,999
Investment earnings	16,667	27,104				28,058	16,108	15,373	15,800	16,166
Miscellaneous income	76,659	63,153	74,568	86,507	130,491	40,282	20,805	65,407	50,956	173,510
Transfers	(20,781)									
Cancellation of prior year receivables/payables		(5,357)		(12,400)		13,697	(1,073)		(566)	(27,866)
Prior year issuance costs/accrued interest payable						(62,434)				
Prior year capital asset transactions						(11,217)				
Purchase (sale) of capital assets	104,503	(22,917)	(63,642)	(253,879)	(324,943)					
Gain/(loss) on disposal of capital assets	327,129	(16,492)	42,863		(2,250)					
Total governmental activities	15,901,304	15,649,791	15,428,592	15,673,142	16,355,638	19,379,175	19,867,432	20,421,670	21,813,276	22,107,728
Business-type activities:										
Investment earnings	2,067	911	540	726	1,031	884	782	681	674	701
Miscellaneous income	11,980	7,474	9,238	4,047	2,495					
Transfers	20,781									
Cancellation of prior year receivables/payables	(732)	(576)		(7,643)	(150)	(83)	(2,510)			
Total business-type activities	34,096	7,809	9,778	(2,870)	3,376	801	(1,728)	681	674	701
Total district-wide	\$ 15,935,400	\$ 15,657,600	\$ 15,438,370	\$ 15,670,272	\$ 16,359,014	\$ 19,379,976	\$ 19,865,704	\$ 20,422,351	\$ 21,813,950	\$ 22,108,429
<b>CHANGES IN NET POSITION:</b>										
Governmental activities	\$ 903,533	(56,065)	(742,945)	230,284	930,308	(63,204)	48,469	(141,428)	330,479	(486,557)
Business-type activities	(29,717)	5,368	10,213	(16,752)	(16,772)	53,182	20,111	(12,063)	31,439	87,251
Total district	\$ 873,816	(50,697)	(732,732)	213,532	913,536	(10,022)	68,580	(153,491)	361,918	(399,306)

Source: District records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Ten Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted				\$ 1,471,635	\$ 2,432,857	\$ 2,755,328	\$ 2,586,994	\$ 2,965,796	\$ 3,334,707	\$ 4,072,280
Assigned				139,412	217,920	253,440	492,015	153,646	59,264	2,892
Unrestricted				(209,411)	(245,179)	(256,546)	(286,702)	(265,439)	(242,467)	(256,361)
Reserved	\$ 2,263,949	\$ 2,199,094	\$ 1,187,347							
Unreserved	18,794	321,071	(332,567)							
Total general fund	<u>\$ 2,282,743</u>	<u>\$ 2,520,165</u>	<u>\$ 854,780</u>	<u>\$ 1,401,636</u>	<u>\$ 2,405,598</u>	<u>\$ 2,752,222</u>	<u>\$ 2,792,307</u>	<u>\$ 2,854,003</u>	<u>\$ 3,151,504</u>	<u>\$ 3,818,811</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund				\$ 15,535	\$ 15,535				\$ 339,855	\$ 101,930
Debt service fund						\$ 15,140	\$ 15,140	\$ 15,142	15,142	15,142
Permanent fund				1,298	1,444	552	553	563	544	567
Nonspendable, reported in										
Permanent fund				11,349	11,357	10,797	10,797	10,797	10,797	10,797
Unreserved, reported in:										
Special revenue fund	\$ (6,438)									
Capital projects fund	15,535	\$ 15,535	\$ 15,535							
Debt service fund	1									
Permanent fund	11,749	12,121	12,416							
Total all other governmental funds	<u>\$ 20,847</u>	<u>\$ 27,656</u>	<u>\$ 27,951</u>	<u>\$ 28,182</u>	<u>\$ 28,336</u>	<u>\$ 26,489</u>	<u>\$ 26,490</u>	<u>\$ 26,502</u>	<u>\$ 366,338</u>	<u>\$ 128,436</u>

Source: District records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES:</b>										
Tax levy	\$ 8,477,177	\$ 8,723,796	\$ 9,081,733	\$ 9,341,783	\$ 9,471,974	\$ 9,593,733	\$ 9,769,115	\$ 9,955,998	\$ 10,417,760	\$ 10,882,730
Tuition charges	35,911	36,763	76,251	43,978	64,230	38,900	32,319	135,626	186,710	32,999
Transportation fees	991,780	1,080,396	1,060,387	1,064,193	1,193,026	1,120,850	1,160,762	1,091,460	1,174,765	1,173,957
Miscellaneous	93,326	123,884	74,568	86,507	130,491	68,340	36,913	80,780	68,685	189,676
State sources	8,697,496	7,906,441	6,285,044	7,582,665	8,131,195	8,656,302	8,907,627	9,200,431	10,004,359	9,896,092
Federal sources	409,801	443,933	1,493,272	492,880	651,580	383,759	430,185	568,256	474,003	441,226
<b>Total revenue</b>	<b>18,705,491</b>	<b>18,315,213</b>	<b>18,071,255</b>	<b>18,612,006</b>	<b>19,642,496</b>	<b>19,861,884</b>	<b>20,336,921</b>	<b>21,032,551</b>	<b>22,326,282</b>	<b>22,616,680</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular instruction	5,051,223	5,078,858	5,271,184	4,967,366	5,075,850	4,873,532	4,800,278	5,103,280	5,016,645	5,232,423
Special education instruction	1,107,489	1,077,954	1,067,291	1,111,749	1,175,624	1,560,121	1,567,448	1,807,084	1,750,519	1,822,641
Other special instruction	248,892	300,853	317,491	289,413	210,324	22,101	212,750	221,276	234,488	220,669
Other instruction	606,498	642,625	619,369	568,644	586,662	602,544	644,010	656,434	647,136	675,442
Support services:										
Tuition	969,649	1,244,874	1,209,425	1,178,737	918,211	1,106,724	1,291,133	1,333,312	1,280,647	1,068,957
Student & instruction related services	1,848,480	1,840,261	1,961,287	1,997,255	2,068,096	2,205,201	2,386,313	2,520,172	2,522,726	2,539,432
School administrative services	346,615	387,455	386,344	369,267	374,019	372,055	402,390	424,329	432,049	331,853
Other administrative service	756,936	715,527	717,471	673,057	602,198	625,104	628,759	604,556	632,766	734,020
Plant operations and maintenance	1,548,484	1,493,880	1,542,647	1,352,212	1,363,647	1,386,083	1,536,224	1,441,594	1,386,403	1,452,290
Pupil transportation	1,202,102	1,270,200	1,226,936	1,173,614	1,311,460	1,341,925	1,343,232	1,334,148	1,331,879	1,423,675
Employee benefits	3,515,078	3,062,616	3,376,008	3,453,894	3,708,742	4,186,216	4,263,363	4,614,783	5,143,837	5,598,100
Capital outlay:	611,102	510,977	1,563,468	340,087	857,306	482,675	651,824	342,038	837,115	652,300
Debt service:										
Principal	245,000	260,000	270,000	280,000	295,000	370,000	330,000	345,000	360,000	370,000
Interest and other charges	326,288	317,100	307,350	297,225	286,725	200,523	235,038	222,837	207,838	201,688
<b>Total expenditures</b>	<b>18,383,836</b>	<b>18,203,180</b>	<b>19,836,271</b>	<b>18,052,520</b>	<b>18,833,864</b>	<b>19,334,804</b>	<b>20,292,762</b>	<b>20,970,843</b>	<b>21,784,048</b>	<b>22,323,490</b>
Excess (deficiency) of revenues over (under) expenditures	321,655	112,033	(1,765,016)	559,486	808,632	527,080	44,159	61,708	542,234	293,190
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers to enterprise fund	(20,781)									
Capital leases (non-budgeted)		137,554	57,063		195,481				95,669	164,081
Cancellation of prior year receivables/payables		(5,357)	42,863	(12,400)		13,697	(1,073)		(566)	(27,866)
<b>Total other financing sources (uses)</b>	<b>(20,781)</b>	<b>132,197</b>	<b>99,926</b>	<b>(12,400)</b>	<b>195,481</b>	<b>13,697</b>	<b>(1,073)</b>		<b>95,103</b>	<b>136,215</b>
<b>Net change in fund balances</b>	<b>\$ 300,874</b>	<b>\$ 244,230</b>	<b>\$ (1,665,090)</b>	<b>\$ 547,086</b>	<b>\$ 1,004,113</b>	<b>\$ 540,777</b>	<b>\$ 43,086</b>	<b>\$ 61,708</b>	<b>\$ 637,337</b>	<b>\$ 429,405</b>
Debt service as a percentage of noncapital expenditures	3.2%	3.3%	3.2%	3.3%	3.2%	3.0%	2.9%	2.8%	2.7%	2.6%

Source: District records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Refunds of prior year expenses	\$ 5,492		\$ 2,525		\$ 5,762			\$ 16,127	\$ 37,513	\$ 18,894
Advisor stipend		\$ 1,500								
Use of facilities fees		600	1,839	\$ 500	4,385	\$ 12,875	\$ 3,225	1,388	3,800	
State of NJ SL - Other					355					
Seminar/class fees		1,500			2,250					
Sale of obsolete equipment					9,903			13,088	7,011	
Homeless tuition			25,640							
Tuition refunds				37,870	66,070	38,900	32,319	135,626	186,710	124,453
Transfer from special revenue fund		33,627								
COBRA reimbursement					1,164					
Athletic events		25,585	10,610							
Cafeteria/student activity fines					630					
State of NJ FEMA				18,851						
Legal settlement					3,680					
JIF legal fee reimbursement					1,500					
JIF safety incentive prior year					500				1,500	
State of NJ SY11/12 NJDA comm survey					250					
Interest earned on deposits	16,667	27,104	28,611	20,261	24,221	27,261	15,358	15,373	14,129	13,000
Bond refinancing					3,470					
Proceeds from sale of bid specifications		500								
Miscellaneous	70,609	32,842	5,343	8,793	6,198	27,320	17,531	18,343	1,079	30,086
Insurance claims								13,088		
Transportation refund		254								
	<u>\$ 92,768</u>	<u>\$ 123,512</u>	<u>\$ 74,568</u>	<u>\$ 86,275</u>	<u>\$ 130,338</u>	<u>\$ 106,356</u>	<u>\$ 68,433</u>	<u>\$ 213,033</u>	<u>\$ 251,742</u>	<u>\$ 186,433</u>

Source: District records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

**NATIONAL PARK**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2008	1,548,900	91,349,500			4,365,000		635,800	97,899,200	84,532	97,983,732	188,533,425	1.712
2009	1,533,500	91,800,100			4,392,100		635,800	98,361,500	89,176	98,450,676	189,654,615	1.772
2010	1,584,200	91,932,900			4,366,500		635,800	98,519,400	306,438	98,825,838	186,272,217	1.892
2011	3,334,200	166,522,300			7,963,500		607,300	178,427,300	368,601	178,795,901	181,023,553	1.074
2012	3,262,900	165,757,700			7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	182,564,425	1.110
2013	3,301,600	165,387,600			7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	174,814,968	1.077
2014	2,238,000	149,817,400			5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	162,601,818	1.139
2015	2,195,500	149,475,000			6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	158,100,720	1.138
2016	2,195,500	149,215,800			6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	150,386,319	1.159
2017	2,194,800	148,996,700			6,060,700	166,300	709,100	158,127,600	366,124	158,493,724	155,870,012	1.264

**WENONAH**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2008	2,545,000	292,122,000			5,407,000			300,074,000	280,585	300,354,585	284,872,770	1.531
2009	2,320,000	289,447,000			5,407,000			297,174,000	294,323	297,468,323	280,289,188	0.719
2010	2,456,000	288,484,000			5,614,000			296,554,000	287,077	296,841,077	280,496,538	0.745
2011	2,349,000	284,308,500			5,614,000			292,271,500	249,581	292,521,081	276,746,941	0.789
2012	1,957,800	251,261,700			7,374,400			260,593,900	243,037	260,836,937	230,528,596	0.964
2013	1,841,700	247,267,300			6,924,300			256,033,300	243,865	256,277,165	240,884,196	0.874
2014	1,751,700	244,644,600			7,274,300			253,670,600		253,670,600	240,495,923	1.007
2015	1,707,700	216,444,800			6,486,700			224,639,200		224,639,200	232,947,471	1.212
2016	1,382,800	216,886,900			6,159,100			224,428,800		224,428,800	226,253,146	1.276
2017	1,322,300	216,085,600			5,934,300			223,342,200		223,342,200	222,819,087	1.344

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

WESTVILLE

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2008	1,366,600	121,349,500			16,897,500	15,245,800	6,317,700	161,177,100	229,196	161,406,296	288,148,274	1.125
2009	1,389,900	121,518,000			13,909,100	18,484,800	6,317,700	161,619,500	236,623	161,856,123	290,464,342	1.117
2010	1,340,600	121,692,200			14,557,500	17,044,800	6,285,200	160,920,300	223,436	161,143,736	298,263,290	1.238
2011	1,317,300	121,462,400			14,532,000	17,044,800	6,210,200	160,566,700	197,031	160,763,731	288,284,470	1.356
2012	2,753,600	191,459,070			27,124,600	35,202,400	11,642,400	268,182,070	347,069	268,529,139	261,684,269	0.838
2013	2,267,400	190,951,470			25,496,700	33,368,400	11,034,600	263,118,570	328,424	263,446,994	244,656,105	0.968
2014	2,376,800	190,783,271			25,951,100	31,439,400	10,579,100	261,129,671	227,089	261,356,760	242,260,296	0.977
2015	2,260,300	174,483,200			23,193,200	26,906,600	10,172,500	237,015,800	227,783	237,243,583	251,787,293	1.096
2016	2,145,800	174,631,100			22,918,300	26,787,600	10,143,100	236,625,900	214,936	236,840,836	250,163,793	1.183
2017	2,137,800	174,430,600			22,732,600	25,963,200	10,074,900	235,339,100	213,290	235,552,390	248,495,655	1.211

WOODBURY HEIGHTS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2008	2,826,400	153,152,000			28,829,500	8,911,800	507,200	194,226,900	313,049	194,539,949	307,100,128	0.894
2009	2,494,600	153,800,500			28,775,200	8,911,800	507,200	194,489,300	309,055	194,798,355	308,981,124	0.941
2010	2,494,600	153,772,100			30,547,000	8,911,800	507,200	196,232,700	675,090	196,907,790	298,878,493	1.011
2011	2,492,600	153,714,000			32,844,000	7,411,800	507,200	196,969,600	483,976	197,453,576	305,915,129	1.076
2012	2,492,600	153,714,000			32,844,000	7,411,800	507,200	196,969,600	483,976	197,453,576	207,405,227	1.143
2013	7,361,400	191,765,800			54,773,000	6,158,500	300,000	260,358,700	730,428	261,089,128	266,680,441	1.160
2014	7,266,700	191,390,700			50,974,700	6,167,800	300,000	256,099,900	657,377	256,757,277	260,980,707	1.189
2015	7,163,100	191,274,400			47,745,100	7,163,700	300,000	253,646,300	663,967	254,310,267	261,697,959	1.234
2016	7,078,400	191,407,600			47,045,400	7,234,700	300,000	253,066,100	661,277	253,727,377	264,568,430	1.273
2017	7,022,800	191,393,100			47,196,900	6,911,100	300,000	252,823,900	661,467	253,485,367	263,967,992	1.320

Source: District records & Municipal/County Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each County. Reassessment occurs when ordered by the County Board of Taxation.

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

**b** Tax rates are per \$100 of assessed value.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
*(rate per \$100 of assessed value)*

**NATIONAL PARK**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Regional High School District	Borough	County	
2008	1.546	0.166	1.712	1.525	1.225	1.107	5.569
2009	1.607	0.165	1.772	1.551	1.434	1.139	5.896
2010	1.728	0.164	1.892	1.697	1.454	1.114	6.157
2011	0.982	0.092	1.074	0.953	0.82	0.591	3.438
2012	1.004	0.106	1.110	1.101	0.844	0.608	3.663
2013	1.016	0.116	1.132	1.077	0.844	0.639	3.692
2014	1.165	0.130	1.295	1.139	0.901	0.676	4.011
2015	1.184	0.128	1.312	1.138	0.873	0.699	4.022
2016	1.216	0.123	1.339	1.159	0.883	0.683	4.064
2017	1.240	0.123	1.363	1.264	0.893	0.710	4.230

**WENONAH**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Regional High School District	Borough	County	
2008	0.652	0.067	0.719	0.605	0.545	0.504	2.373
2009	0.677	0.068	0.745	0.655	0.581	0.518	2.499
2010	0.723	0.066	0.789	0.672	0.608	0.519	2.588
2011	0.778	0.059	0.837	0.654	0.651	0.503	2.645
2012	0.896	0.069	0.965	0.802	0.679	0.468	2.914
2013	0.941	0.075	1.016	0.874	0.706	0.564	3.160
2014	0.976	0.074	1.050	1.007	0.711	0.582	3.350
2015	1.123	0.086	1.210	1.212	0.802	0.678	3.902
2016	1.148	0.085	1.233	1.276	0.799	0.679	3.987
2017	1.176	0.086	1.262	1.344	0.799	0.669	4.074

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)

**WESTVILLE**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Regional High School District	Borough	County	
2008	1.038	0.087	1.125	1.643	1.537	2.102	6.407
2009	1.028	0.089	1.117	1.690	1.536	0.987	5.330
2010	1.146	0.092	1.238	1.730	1.537	1.019	5.524
2011	1.245	0.111	1.356	1.723	1.558	0.969	5.606
2012	0.766	0.072	0.838	0.978	0.983	0.537	3.336
2013	0.811	0.075	0.886	0.968	1.063	0.561	3.478
2014	0.853	0.075	0.928	0.977	1.096	0.569	3.570
2015	1.018	0.086	1.104	1.096	1.254	0.692	4.146
2016	1.066	0.079	1.145	1.183	1.288	0.711	4.327
2017	1.234		1.234	1.211	1.323	0.711	4.479

**WOODBURY HEIGHTS**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Regional High School District	Borough	County	
2008	0.894		0.894	1.311	0.976	0.819	4.000
2009	0.941		0.941	1.355	1.075	0.888	4.259
2010	1.011		1.011	1.423	1.151	0.938	4.523
2011	1.076		1.076	1.447	1.206	0.897	4.626
2012	1.134	0.009	1.143	1.514	1.232	0.900	4.789
2013	0.852	0.054	0.906	1.160	1.021	0.659	3.746
2014	0.931	0.013	0.944	1.189	1.065	0.673	3.871
2015	0.975	0.013	0.988	1.234	1.103	0.720	4.045
2016	1.017	0.012	1.029	1.273	1.133	0.752	4.187
2017	1.058	0.012	1.070	1.32	1.158	0.750	4.298

N/A = Not Available

Source: Respective School District's CAFR's



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**NATIONAL PARK**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Individual Taxpayer 1	599,500	1	0.38%	373,200	3	0.38%
Individual Taxpayer 2	527,700	2	0.34%	355,700	4	0.36%
The Bank	493,800	3	0.32%	395,400	2	0.40%
Individual Taxpayer 3	473,300	4	0.30%	317,600	5	0.32%
Individual Taxpayer 4	454,100	5	0.29%	398,000	6	0.30%
Individual Taxpayer 5	421,500	6	0.27%	274,700	8	0.28%
VRH NP LLC	380,600	7	0.24%			0.29%
PSE&G Power LLC	373,800	8	0.24%	552,800	1	0.56%
Verizon New Jersey	366,124	9	0.23%			
J&B LP LLC	346,000	10	0.22%	274,700	7	0.28%
Individual Taxpayer 6				256,500	9	0.26%
Wm. F. Hamilton Inc.				231,400	10	0.24%
<b>Total</b>	<b>4,436,424</b>		<b>2.85%</b>	<b>\$ 3,430,000</b>		<b>3.40%</b>

**WENONAH**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
First Union National Bank	975,700	1	0.44%	900,000	7	0.30%
Individual Taxpayer 1	944,900	2	0.42%	1,218,000	1	0.41%
Individual Taxpayer 2	840,000	3	0.38%	1,200,000	2	0.40%
Individual Taxpayer 3	834,800	4	0.37%	1,020,000	3	0.34%
Individual Taxpayer 4	813,900	5	0.36%	975,000	4	0.32%
Individual Taxpayer 5	811,200	6	0.36%	950,000	5	0.32%
Wenonah Swimming Club	747,500	7	0.33%			
Individual Taxpayer 6	699,000	8	0.31%	950,000	6	0.32%
Individual Taxpayer 7	689,400	9	0.31%	875,000	8	0.29%
Individual Taxpayer 8	677,300	10	0.30%	875,000	9	0.29%
Individual Taxpayer 9				800,000	10	0.29%
<b>Total</b>	<b>8,033,700</b>		<b>3.58%</b>	<b>8,963,000</b>		<b>3.28%</b>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**WESTVILLE**

Taxpayer	2017			2008		
	Taxable Assessed	Rank	% of Total District Net Assessed	Taxable Assessed	Rank	% of Total District Net Assessed
	Value	[Optional]	Value	Value	[Optional]	Value
Sunoco Inc.	6,153,700	1	2.48%	1,658,300	4	1.03%
712 Broadway LLC	2,929,300	2	1.18%	1,977,500	2	1.23%
Pelligrino Enterprises LLC	2,350,000	3	0.95%	1,250,000	7	0.78%
Woodbine Norse LLC	2,150,100	4	0.87%			
FRZ Commercial Real Estate LLC	2,130,900	5	0.86%			
Westville Norse LLC	2,013,500	6	0.81%			
Arber Properties LLC	2,000,000	7	0.80%	1,110,000	9	0.69%
Brown's Westville LLC	1,750,000	8	0.70%			
RAAB Family Partnership LP	1,659,500	9	0.67%	1,169,800	8	0.73%
Individual Taxpayer 1	1,453,000	10	0.58%	1,300,000	6	0.81%
AMC Delancy I-295 Partners LP				3,841,600	1	2.38%
Journey LLC				1,724,300	3	1.07%
EJB LLC				1,587,100	5	0.98%
Individual Taxpayer 2				1,102,300	10	0.68%
<b>Total</b>	<b>24,590,000</b>		<b>9.83%</b>	<b>16,720,900</b>		<b>6.68%</b>

**WOODBURY HEIGHTS**

Taxpayer	2017			2008		
	Taxable Assessed	Rank	% of Total District Net Assessed	Taxable Assessed	Rank	% of Total District Net Assessed
	Value	[Optional]	Value	Value	[Optional]	Value
Oak Valley Plaza Inc.	11,938,000	1	4.52%			
Woodbury Heights Development Inc.	3,300,000	2	1.25%			
WaWa Inc.	2,555,500	3	0.97%			
HCD Realty LLC	2,112,200	4	0.80%			
Balducci Inc.	1,830,000	5	0.69%			
Genius One LLC	1,557,600	6	0.59%			
Heights Plaza LLC	1,362,500	7	0.52%			
McDonalds Real Estate Company	1,357,000	8	0.51%			
Jonathan Advisors Ltd. Partnership	1,341,800	9	0.51%			
American Paper Box LLC	1,322,400	10	0.50%			
<b>Total</b>	<b>28,677,000</b>		<b>10.86%</b>			

Not Available

Source: Municipal Tax Assessor

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years

**NATIONAL PARK**

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	
2008	\$ 1,631,982	\$ 1,631,982	100.00%	
2009	1,676,853	1,676,853	100.00%	
2010	1,744,987	1,744,987	100.00%	
2011	1,870,710	1,870,710	100.00%	
2012	1,920,953	1,920,953	100.00%	
2013	1,975,179	1,975,179	100.00%	
2014	2,010,109	2,010,109	100.00%	
2015	2,059,875	2,059,875	100.00%	
2016	1,811,650	1,811,650	100.00%	
2017	1,841,067	1,841,067	100.00%	

**WENONAH**

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	
2008	\$ 2,128,973	\$ 2,128,973	100.00%	
2009	2,189,928	2,189,928	100.00%	
2010	2,240,433	2,240,433	100.00%	
2011	2,442,549	2,442,549	100.00%	
2012	2,453,812	2,453,812	100.00%	
2013	2,572,213	2,572,213	100.00%	
2014	2,632,370	2,632,370	100.00%	
2015	2,691,806	2,691,806	100.00%	
2016	2,722,130	2,722,130	100.00%	
2017	2,864,947	2,864,947	100.00%	

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years

**WESTVILLE**

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	
2008	\$ 1,853,052	\$ 1,853,052	100.00%	
2009	1,776,554	1,776,554	100.00%	
2010	1,837,049	1,837,049	100.00%	
2011	2,152,822	2,144,822	99.63%	8,000
2012	2,204,640	2,204,640	100.00%	
2013	2,293,650	2,293,650	100.00%	
2014	2,371,975	2,371,975	100.00%	
2015	2,467,322	2,467,322	100.00%	
2015	2,467,322	2,467,322	100.00%	
2016	2,678,833	2,678,833	100.00%	
2017	2,926,615	2,926,615	100.00%	

**WOODBURY HEIGHTS**

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	
2008	\$ 1,740,439	\$ 1,740,439	100.00%	
2009	1,919,233	1,919,233	100.00%	
2010	2,016,745	2,016,745	100.00%	
2011	2,220,314	2,220,314	100.00%	
2012	2,299,254	2,299,254	100.00%	
2013	2,343,779	2,343,779	100.00%	
2014	2,389,204	2,389,204	100.00%	
2015	2,460,268	2,460,268	100.00%	
2016	3,209,797	3,209,797	100.00%	
2017	3,250,100	3,250,100	100.00%	

Source: Respective School District's CAFR's

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

**NATIONAL PARK**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	EDA Loans	Capital Leases			
2008	\$ 3,245,000			\$ 3,245,000	2.43%	1,003
2009	3,075,000			3,075,000	2.32%	951
2010	2,900,000			2,900,000	2.30%	954
2011	3,081,450			3,081,450	2.35%	1,016
2012	2,871,450			2,871,450	2.14%	951
2013	2,651,450			2,651,450	1.96%	882
2014	2,426,450			2,426,450	1.73%	809
2015	2,201,450			2,201,450	1.50%	734
2016	1,981,450			1,981,450	N/A	661
2017	1,756,450			1,756,450	N/A	N/A

**WENONAH**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	EDA Loans	Capital Leases			
2008	\$ 2,331,000			\$ 2,331,000	2.54%	994
2009	2,226,000		\$ 34,566	2,260,566	2.32%	959
2010	2,116,000		33,144	2,149,144	2.22%	912
2011	2,001,000		7,789	2,008,789	2.12%	882
2012	1,881,000			1,881,000	1.91%	827
2013	1,825,000		56,586	1,881,586	1.81%	804
2014	1,680,000			1,680,000	1.65%	743
2015	1,530,000			1,530,000	1.46%	678
2016	1,375,000			1,375,000	1.25%	610
2017	1,220,000			1,220,000	N/A	N/A

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

**WESTVILLE**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	EDA Loans	Capital Leases			
2008	\$ 1,348,000			\$ 1,348,000	0.74%	301
2009	1,188,000			1,188,000	0.68%	266
2010	1,029,000			1,029,000	0.58%	240
2011	874,000			874,000	0.47%	204
2012	714,000			714,000	0.38%	168
2013	544,000			544,000	0.28%	128
2014	369,000			369,000	0.19%	87
2015	189,000			189,000	N/A	45
2016	None			None	N/A	N/A
2017	None			None	N/A	N/A

**WOODBURY HEIGHTS**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	EDA Loans	Capital Leases			
2008						
2009						
2010						
2011	\$ 377,516			\$ 377,516	0.30%	123
2012	357,516		\$ 21,278	378,794	0.29%	124
2013	337,516		14,643	352,159	0.26%	116
2014	317,516		7,561	325,077	0.24%	108
2015	297,516			297,516	0.21%	99
2016	277,516			277,516	0.19%	92
2017	257,516			257,516	N/A	N/A

Source: Respective School District CAFR's  
N/A - Information not available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

**NATIONAL PARK**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2008	\$ 3,245,000		\$ 3,245,000	3.31%	1,003
2009	3,075,000		3,075,000	3.12%	951
2010	2,900,000		2,900,000	2.93%	954
2011	3,081,450		3,081,450	1.72%	1,016
2012	2,871,450		2,871,450	1.61%	951
2013	2,651,450		2,651,450	1.49%	882
2014	2,426,450		2,426,450	1.53%	809
2015	2,201,450		2,201,450	1.38%	734
2016	1,981,450		1,981,450	1.25%	661
2017	1,756,450		1,756,450	1.11%	N/A

**WENONAH**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2008	\$ 2,331,000		\$ 2,331,000	0.78%	989
2009	2,226,000		2,226,000	0.75%	944
2010	2,116,000		2,116,000	0.71%	929
2011	2,001,000		2,001,000	0.68%	880
2012	1,881,000		1,881,000	0.72%	828
2013	1,825,000		1,825,000	0.71%	807
2014	1,680,000		1,680,000	0.66%	745
2015	1,530,000		1,530,000	0.68%	679
2016	1,375,000		1,375,000	0.61%	612
2017	1,220,000		1,220,000	5.50%	N/A

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

**WESTVILLE**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 1,348,000		\$ 1,348,000	0.84%	301
2009	1,188,000		1,188,000	0.73%	266
2010	1,029,000		1,029,000	0.64%	240
2011	874,000		874,000	0.54%	204
2012	714,000		714,000	0.27%	168
2013	544,000		544,000	0.21%	128
2014	369,000		369,000	0.14%	87
2015	189,000		189,000	0.80%	45
2016	None		None	0.00%	N/A
2017	None		None	0.00%	N/A

**WOODBURY HEIGHTS**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2007					
2008					
2009					
2010					
2011	\$ 377,516		\$ 377,516	0.19%	123
2012	357,516		357,516	0.18%	117
2013	337,516		337,516	0.13%	111
2014	317,516		317,516	0.12%	105
2015	297,516		297,516	0.12%	99
2016	277,516		277,516	0.11%	92
2017	257,516		257,516	0.10%	N/A

Source: Respective School District CAFR's

N/A: Information not available



Gateway Regional High School District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2016

<b>Governmental Unit - National Park</b>	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
National Park Borough	\$ 145,622	100.00%	\$ 145,622
Gateway Regional High School	5,500,000	0.60%	949,157
Gloucester County	228,369,763	17.26%	<u>1,370,219</u>
Subtotal, overlapping debt			2,464,998
<b>National Park District direct debt</b>			<u>1,756,450</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 4,221,448</u></u>

Source: Respective School District's CAFR's

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

Gateway Regional High School District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2016

<b>Governmental Unit - Wenonah</b>	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Wenonah Borough	\$ 2,364,616	100.00%	\$ 2,364,616
Gateway Regional High School	5,130,000	25.47%	1,306,818
Gloucester County	228,443,500	0.86%	<u>1,959,844</u>
Subtotal, overlapping debt			5,631,278
<b>Wenonah District direct debt</b>			<u>1,220,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 6,851,278</u></u>

Source: Respective School District's CAFR's

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

Gateway Regional High School District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2016

<b>Governmental Unit - Westville</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>a</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Westville Borough	\$ 4,265,111	100.00%	\$ 4,265,111
Gateway Regional High School	5,500,000	27.90%	1,534,574
Gloucester County	228,443,500	0.95%	2,177,057
Subtotal, overlapping debt			7,976,742
<b>Westville District direct debt</b>			None
<b>Total direct and overlapping debt</b>			<u>\$ 7,976,742</u>

Source: Respective School District's CAFR's

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

Gateway Regional High School District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2016

<b>Governmental Unit - Woodbury Heights</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>a</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Woodbury Heights Borough	\$ 257,716	100.00%	\$ 257,716
Gateway Regional High School	5,500,000	29.00%	1,595,000
Gloucester County	228,443,500	1.01%	2,307,279
Subtotal, overlapping debt			4,159,995
<b>Woodbury Heights District direct debt</b>			None
<b>Total direct and overlapping debt</b>			<u>\$ 4,159,995</u>

Source: Respective School District's CAFR's

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

Gateway Regional High School District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation

	Equalized Valuation Basis				
	National Park	Wenonah	Westville	Woodbury Heights	Combined
2014	\$ 157,434,468	\$ 233,733,161	\$ 251,327,883	\$ 262,451,220	\$ 904,946,732
2015	150,164,996	226,359,532	249,201,766	263,446,510	889,172,804
2016	155,705,472	223,802,154	248,530,512	262,516,701	890,554,839
	<u>\$ 463,304,936</u>	<u>\$ 683,894,847</u>	<u>\$ 749,060,161</u>	<u>\$ 788,414,431</u>	<u>\$ 2,684,674,375</u>
Average equalized valuation of taxable property	\$ 154,434,979	\$ 227,964,949	\$ 249,686,720	\$ 262,804,810	\$ 894,891,458
Debt limit (3% of average equalized valuation)					<b>a</b> 26,846,744
Net bonded school debt					5,130,000
Legal debt margin					<u>\$ 21,716,744</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit				\$ 23,878,666	\$ 25,678,487	\$ 29,617,517	\$ 28,264,500	\$ 27,546,777	\$ 27,078,535	\$ 26,846,744
Total net debt applicable to limit				<u>7,130,000</u>	<u>6,905,000</u>	<u>6,535,000</u>	<u>6,205,000</u>	<u>5,860,000</u>	<u>5,500,000</u>	<u>5,130,000</u>
Legal debt margin				<u>\$ 16,748,666</u>	<u>\$ 18,773,487</u>	<u>\$ 23,082,517</u>	<u>\$ 22,059,500</u>	<u>\$ 21,686,777</u>	<u>\$ 21,578,535</u>	<u>\$ 21,716,744</u>
Total net debt applicable to the limit as a percentage of debt limit				29.86%	26.89%	22.06%	21.95%	21.27%	20.31%	19.11%

Source: Abstract of Ratables and District Records

**a** Limit set by NJSA 18A:24-19 for a 7 through 12 regional district; other % limits would be applicable for other districts.

Gateway Regional High School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years

**National Park**

Fiscal Year Ended June 30,	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	3,235	\$ 133,624,910	\$ 41,306	7.6%
2009	3,235	132,605,885	40,991	31.1%
2010	3,039	126,154,968	41,512	11.8%
2011	3,034	131,174,990	43,235	11.5%
2012	3,019	134,019,448	44,392	11.8%
2013	3,006	135,303,066	45,011	12.6%
2014	3,001	139,855,603	46,603	9.3%
2015	2,999	148,348,201	48,799	8.0%
2016	2,998	N/A	N/A	7.0%
2017	N/A	N/A	N/A	N/A

**Wenonah**

Fiscal Year Ended June 30,	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	2,358	\$ 97,399,548	\$ 41,306	5.9%
2009	2,357	96,615,787	40,991	8.7%
2010	2,278	94,564,336	41,512	9.2%
2011	2,275	98,359,625	43,235	9.0%
2012	2,271	100,814,232	44,392	9.2%
2013	2,261	101,769,871	45,011	3.9%
2014	2,255	105,089,765	46,603	4.9%
2015	2,254	109,992,946	48,799	4.6%
2016	2,248	N/A	N/A	3.6%
2017	N/A	N/A	N/A	N/A

Gateway Regional High School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years

**Westville**

Fiscal Year Ended June 30,	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	4,474	\$ 182,047,060	\$ 40,690	7.0%
2009	4,466	182,440,566	40,851	10.3%
2010	4,285	177,446,135	41,411	10.9%
2011	4,274	185,867,712	43,488	11.3%
2012	4,258	190,898,914	44,833	10.9%
2013	4,244	191,697,236	45,169	13.2%
2014	4,224	196,851,072	46,603	9.4%
2015	4,224	206,126,976	48,799	7.8%
2016	4,211	N/A	N/A	7.4%
2017	N/A	N/A	N/A	N/A

**Woodbury Heights**

Fiscal Year Ended June 30,	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	3,056	\$ 123,450,176	\$ 41,306	4.6%
2009	3,053	122,272,650	40,991	6.9%
2010	3,055	126,408,546	41,512	7.3%
2011	3,047	129,341,301	43,235	7.1%
2012	3,035	135,905,172	44,392	7.3%
2013	3,014	136,410,380	45,011	5.5%
2014	3,015	139,902,206	46,603	4.8%
2015	3,010	146,884,990	48,799	5.3%
2016	3,008	N/A	N/A	5.1%
2017	N/A	N/A	N/A	N/A

Source: Respective School District CAFR's

- a** Population information provided by the NJ Department of Labor and Workforce Development.
  - b** Personal income has been estimated based upon the municipal population and per capita income presented.
  - c** Per Capita personal income by municipality estimated based upon the Census published by the U.S. Bureau of Economic Analysis.
  - d** Unemployment data provided by the NJ Department of Labor and Workforce Development.
- N/A - Information not available

Gateway Regional High School District  
Principal Employers  
Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Inspira Health	1,825	1	N/A			
Kennedy Memorial Hospital	1,675	2	N/A			
Washington Township School District	1,607	3	N/A			
Rowan University	1,483	4	N/A			
County of Gloucester	1,384	5	N/A			
Missa Bay, LLC	950	6	N/A	Information Not Available		
Monroe Township School District	804	7	N/A			
U.S. Foodservices	725	8	N/A			
ExxonMobil Research & Engineering	540	9	N/A			
LaBrea Bakery	525	10	N/A			
	11,518					

Source: Gloucester County Department of Economic Development

Note: The information provided is for the County of Gloucester, information at the municipal level is not readily available.

N/A - Information not available

Gateway Regional High School District  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	77	71	71	71	68	68	67.5	66.5	66.0	66.0
Special education	15	15	14	11	13	14	16.5	16.5	18.0	18.0
Other special instruction	8	7	8	8	9	9	8	8	9	9
Support Services:										
Student & instruction related services		11	11	11	11	11	12	12	14	17
General administrative services	5	3	3	2	2	2	2	2	2	2
School administrative services	5	3	3	3	3	3	3	3	3	3
Other administrative services		4	4	4	4	4	4	4	4	4
Central services	3	2	1	1	1	1	1	1	1	1
Administrative information technology	4	3	3	3	3	3	3.5	4.0	4.0	4.0
Plant operations and maintenance	14	12	12	12	12	12	14	13	14	14.5
Pupil transportation	41	41	42	43	41	41	40	40	41	41
Other support services	22	21	22	21	14	13	14	14	14	14
Total	<u>194</u>	<u>193</u>	<u>194</u>	<u>190</u>	<u>181</u>	<u>181</u>	<u>185.5</u>	<u>184.0</u>	<u>190.0</u>	<u>193.5</u>

Source: District personnel records

Gateway Regional High School District  
Operating Statistics  
Last Ten Fiscal Years

**Pupil/Teacher Ratio**

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Middle School	High School	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	953	17,201,445	18,050	12.00%	100	N/A	1:10	952	894	-6.48%	93.9%
2009	904	17,115,103	18,933	4.89%	104	N/A	1:9	904	748	-5.04%	82.7%
2010	849	17,695,453	20,843	10.09%	104	N/A	1:9	849	792	-6.08%	93.3%
2011	843	16,950,762	20,108	-3.53%	103	N/A	1:9	832	786	-2.00%	94.5%
2012	891	17,794,643	19,972	-0.68%	101	N/A	1:9	880	828	5.77%	94.1%
2013	889	18,281,606	20,564	2.97%	102	N/A	1:9	879	818	-0.11%	93.1%
2014	893	19,075,900	21,362	3.88%	104	N/A	1:9	877	805	-0.23%	91.8%
2015	946	20,060,968	21,206	-0.73%	103	N/A	1:9	926	847	5.59%	91.5%
2016	958	20,379,095	21,273	0.31%	107	N/A	1:9	915	839	-1.19%	91.7%
2017	932	21,099,502	22,639	6.42%	110	N/A	1:8	938	863	2.51%	92.0%

Source: District records

- Note:** Enrollment based on annual October district count.
- a** Operating expenditures equal total expenditures less debt service and capital outlay.
- b** Teaching staff includes only full-time equivalents of certificated staff.
- c** Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



Gateway Regional High School District  
School Building Information  
Last Ten Fiscal Years

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>High School</b>										
Square Feet	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647
Capacity (students)	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Enrollment	953	904	849	843	891	889	893	946	958	958
<b>Other</b>										
Maintenance Garage (1996)										
Square Feet	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760
Central Administration (1999)										
Square Feet	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266
Generator Building (1995)										
Square Feet	480	480	480	480	480	480	480	480	480	480
Athletic Storage (1971)										
Square Feet	864	864	864	864	864	864	864	864	864	864
Ticket Booth (1995)										
Square Feet	154	154	154	154	154	154	154	154	154	154
Press Box (1995)										
Square Feet	60	60	60	60	60	60	60	60	60	60
Fieldhouse (1971)										
Square Feet	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380

Number of Schools at June 30, 2017

  High School = 1

  Other = 7

Source: District records, ASSA

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance Expenditures by School Facility  
Last Ten Fiscal Years

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

* School Facilities:	Project Numbers:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Totals
High School	N/A	\$ 162,681	\$ 179,410	\$ 184,630	\$ 152,512	\$ 147,100	\$ 170,266	\$ 203,942	\$ 182,510	\$ 229,773	\$ 261,326	\$ 1,874,150

Source: District records

Gateway Regional High School District  
Insurance Schedule

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property - blanket building & contents	\$ 175,000	
Comprehensive general and automobile liability	20,000,000	
Boiler and machinery	125,000,000	\$ 1,000
Educator's legal liability	20,000,000	
Pollution legal liability	3,000,000	25,000
Crime	500,000	500
Cyber liability	1,000,000	25,000
Workmen's compensation	Statutory	
Violent malicious acts	1,000,000	15,000
Disaster management services	2,000,000	15,000
Surety Bond Coverage		
Treasurer	225,000	
Business Administrator/Board Secretary	10,000	

Source: District records

## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

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

### Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Gateway Regional High School District  
775 Tanyard Road  
Woodbury Heights, New Jersey 08096

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 Gateway Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Gateway Regional High School District's basic financial statements, and have issued our report thereon dated November 20, 2017.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Gateway Regional High 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 Gateway Regional High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Gateway Regional High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

November 20, 2017

# PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB'S  
CIRCULAR 15-08**

**Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Gateway Regional High School District  
775 Tanyard Road  
Woodbury Heights, New Jersey 08096

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

We have audited the Gateway Regional High 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 Gateway Regional High School District's major federal and state programs for the year ended June 30, 2017. Gateway Regional High 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Gateway Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations Part-200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and*

*State Aid.* Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Gateway Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Gateway Regional High School District's compliance.

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

In our opinion, the Gateway Regional High 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, 2017.

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

Management of Gateway Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Gateway Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Gateway Regional High School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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

***Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and New Jersey OMB's Circular 15-08***

We have audited the financial statements of Gateway Regional High School District as of and for the year ended June 30, 2017, and have issued our report thereon dated November 20, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

November 20, 2017

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2017			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
General Fund																
Medical Assistance Program	93.778	1705NJSMAP	N/A	\$ 37,158	7/1/16	6/30/17			\$ 36,441	\$ (37,158)			\$ (717)			\$ 37,158
Medical Assistance Program	93.778	1605NJSMAP	N/A	43,737	7/1/15	6/30/16	\$ (14,620)		14,620							43,737
ARRA Medical Assistance Program	93.778	1705NJSMAP	N/A	1,652	7/1/15	6/30/16			1,652	(1,652)						1,652
<b>Total General Fund</b>							<u>(14,620)</u>		<u>52,713</u>	<u>(38,810)</u>			<u>(717)</u>			<u>82,547</u>
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund																
Title I, Part A	84.010	S010A160030	NCLB171517	141,764	7/1/16	6/30/17				(132,022)			(132,022)			132,022
Title I, Part A	84.010	S010A150030	NCLB171516	147,129	7/1/15	6/30/16	(64,402)		64,402							137,994
IDEA Part B, Basic Regular	84.027	H027A160100	FT171517	274,736	7/1/16	6/30/17			120,191	(251,416)			(131,225)			251,416
IDEA Part B, Basic Regular	84.027	H027A150100	FT171516	279,516	7/1/15	6/30/16	(110,093)		110,093							266,694
Title II Part A	84.367	S367A160029	NCLB171517	16,765	7/1/16	6/30/17				(12,911)			(12,911)			12,911
Title II Part A	84.367	S367A150029	NCLB171516	16,699	7/1/15	6/30/16	(4,967)		4,967							14,976
Improvement Instructional System	84.395	N/A	N/A	6,067	7/1/16	6/30/17			6,067	(6,067)						6,067
<b>Total Special Revenue Fund</b>							<u>(179,462)</u>		<u>305,720</u>	<u>(402,416)</u>			<u>(276,158)</u>			<u>822,080</u>
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund																
Food Distribution Program	10.550	N/A	N/A	72,244	7/1/16	6/30/17			65,462	(64,244)				\$ 1,218		64,244
Food Distribution Program	10.550	N/A	N/A	67,582	7/1/15	6/30/16		8,000		(8,000)						59,582
School Breakfast Program	10.553	17161NJ304N1099	N/A	113,615	7/1/16	6/30/17			105,767	(113,615)			(7,848)			113,615
School Breakfast Program	10.553	16161NJ304N1099	N/A	109,947	7/1/15	6/30/16	(22,608)		22,608							109,947
National School Lunch Program	10.555	17161NJ304N1099	N/A	271,124	7/1/16	6/30/17			254,286	(271,124)			(16,838)			271,124
National School Lunch Program	10.555	16161NJ304N1099	N/A	255,975	7/1/15	6/30/16	(46,209)		46,209							255,975
Special Milk Program	10.556	17161NJ304N1099	N/A	443	7/1/16	6/30/17			422	(443)			(21)			443
Special Milk Program	10.556	16161NJ304N1099	N/A	359	7/1/15	6/30/16	(58)		58							359
After School Snack Program	10.558	17161NJ304N1099	N/A	5,004	7/1/16	6/30/17			4,825	(5,004)			(179)			5,004
After School Snack Program	10.558	16161NJ304N1099	N/A	2,542	7/1/15	6/30/16	(140)		140							2,542
<b>Total Enterprise Fund</b>							<u>(61,015)</u>		<u>499,777</u>	<u>(462,430)</u>			<u>(24,886)</u>	<u>1,218</u>		<u>882,835</u>
<b>Total Federal Financial Awards</b>							<u>\$ (255,097)</u>		<u>\$ 858,210</u>	<u>\$ (903,656)</u>			<u>\$ (301,761)</u>	<u>\$ 1,218</u>		<u>\$ 1,787,462</u>

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



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2017

**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, Gateway Regional High 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 expenditures 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 basis 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 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$26,353 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 38,810	\$ 9,817,422	\$ 9,856,232
Special Revenue Fund	402,416	78,670	481,086
Food Service Fund	462,430	6,586	469,016
Total awards & financial assistance	<u>\$ 903,656</u>	<u>\$ 9,902,678</u>	<u>\$ 10,806,334</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: 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, 2017. 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, 2017.

**NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**NOTE 7: INDIRECT COST RATE**

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified?        yes   X   none reported

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified?        yes   X   none reported

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

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

Identification of major programs:

CFDA Number (s)	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.550	Food Distribution Program
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program
10.558	After School Snack Program

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

Auditee qualified as low-risk auditee?   X   yes        no

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**State Awards**

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB's Circular 15-08?   yes  X  no

Identification of major programs:

**GMSI Number(s)**

495-034-5120-089  
495-034-5120-078  
495-034-5120-084  
495-034-5120-068  
495-034-5120-098  
495-034-5120-097  
495-034-5120-101  
495-034-5120-102  
495-034-5120-085  
495-034-5094-003

**Name of State Program**

State Aid Public Cluster:  
Special Education Categorical Aid  
Equalization Aid  
Security Aid  
School Choice Aid  
PARCC Readiness  
Per Pupil Growth Aid  
Professional Learning Community Aid  
Host District Aid  
Adjustment Aid  
Reimbursed TPAF Social Security Contributions

GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

***Section II – Financial Statement Findings***

No matters were reported.

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

**FEDERAL AWARDS**

No matters were reported.

**STATE AWARDS**

No matters were reported.



GATEWAY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

No matters were reported.