

**Gateway Regional High School Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

**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, 2020**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

Prepared by:

**Gateway Regional High School
Board of Education Administration**

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INTRODUCTORY SECTION

Gateway Regional High School District

775 Tanyard Road
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May 6, 2021

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, 2020, 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 2019-2020 fiscal year with an enrollment of 895 students, which is an increase of 9 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>
2019-20	895	+1.02%
2018-19	886	(0.89%)
2017-18	894	(4.08%)
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%)

2. ECONOMIC CONDITION AND OUTLOOK: The service area is not experiencing any development or expansion. The Districts enrollment showed a slight increase after several years of 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 in January 2012 to provide relief to the taxpayers of New Jersey. The Gateway Board of Education, being cognizant of the struggles of its taxpayers, adopted budgets at or below the CAP until the 2015-16 school year. Due to flat funding from the State, the Board exceeded the 2% CAP by using statutory adjustments to maintain staff and programs, in the 2015-16, 2016-17 and 2017-18 budgets. The District has been able to prepare budgets at CAP since that time, due to increases in State aid.

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 NJ Student Learning Assessment. These objectives address specified subgroups (total, white, special education and economically disadvantaged populations) that were below State 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. Curricula in all content areas continue to be revised to provide instruction that is differentiated, engaging and supports inquiry.

While the COVID-19 crisis has complicated efforts to collect meaningful data, we remain committed to internal measurements using LinkIt! Benchmarks, and teacher-developed assessments. Beyond traditional measurements, we also are expanding use of project- and problem- based learning and the use of rubric assessments across all curriculum areas.

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 and IDEA 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. Throughout the COVID-19 crisis, we have been creative with our use of time and scheduling to provide the support to our most at-risk students, including virtual and in-person support.

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 is continuing with the Pre-Advanced Placement program with the College Board to provide resources and an instructional framework for 9th grade ELA, 10th grade ELA, Algebra I, Geometry, World History, and Art I.

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 NJSLA 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 21stCentury 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. A number of these students reside in other counties, but still chose to attend Gateway. The District will continue the program and will strive to fill all available seats.

The Board continues to set aside funds into capital and maintenance reserve accounts for various projects to update and maintain its facilities. The District recently completed a renovation project, relocating the guidance department offices from the back of the building to the front of the building so that they are in closer proximity to the main office.

B. Future and Continuing Projects:

The Board continues to focus its efforts on reducing costs by providing and being part of shared services with the four municipal school districts. During the audit year, Gateway continued to provide business office, child study team, and curriculum services to three of the elementary sending districts, shared Superintendent services to two of the elementary districts, and Facility Director services with one of the elementary districts. Gateway also shares other auxiliary services in purchasing, food service, and transportation 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, 2020.

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, 2020, the District's outstanding debt issues were \$3,920,000.

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.

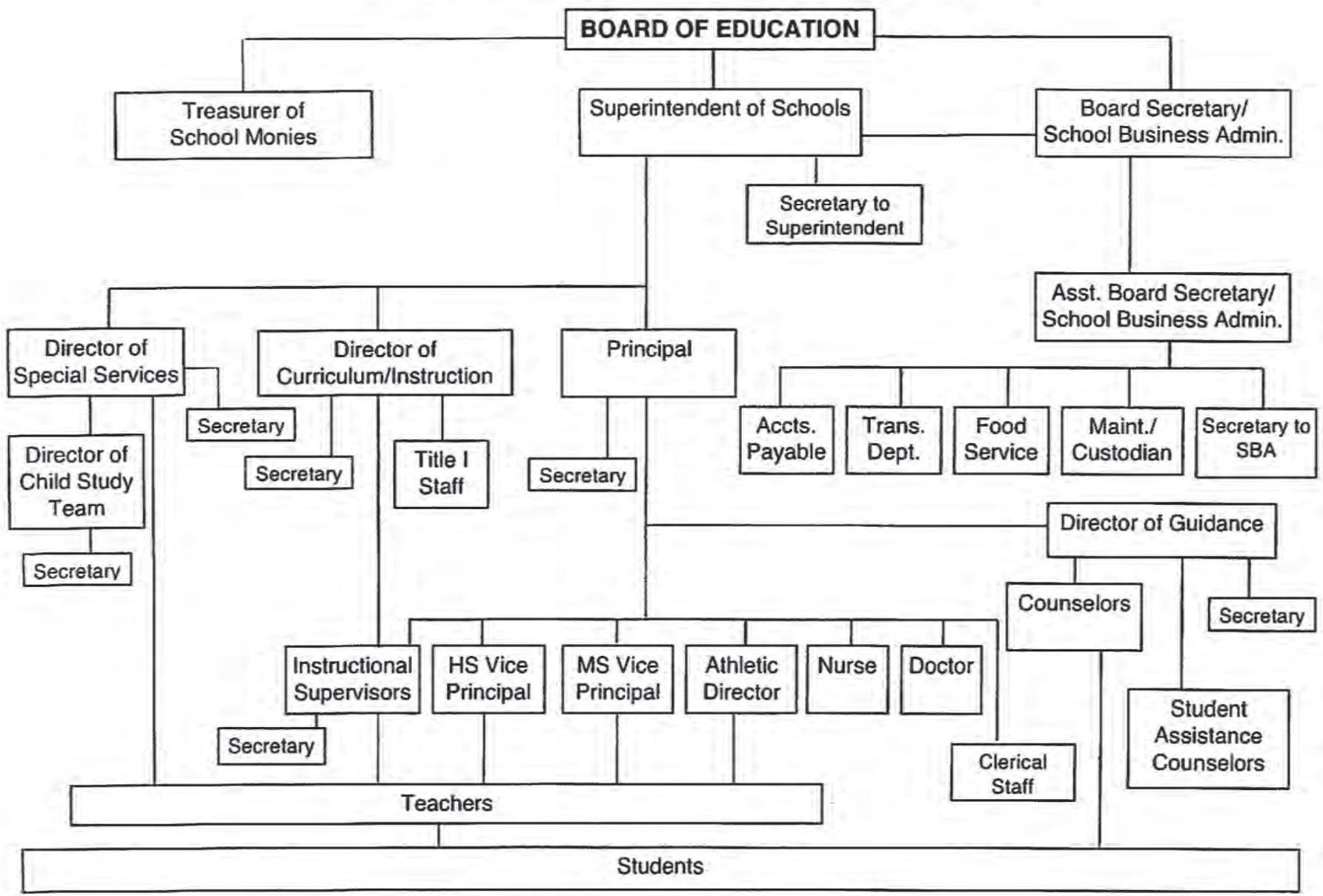
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Gateway Regional Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial 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, 2020

MEMBERS OF THE BOARD OF EDUCATION

Term Expires

Robert Miller, President	2021
Harry Bush, Vice President	2020
Juliana Delany	2022
Michelle Edmund	2022
Jeanette Iversen- Rattle	2020
Stephen Patterson	2020
Judi Pye	2020
Tamar Shelov	2021
Paula Trapuzzano	2021

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

Regan Young England Butera
456 High Street
Mount Holly, NJ 08060

AUDIT FIRM

Petroni & Associates LLC
P.O Box 279
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
Ocean First Bank
NJ/ARM

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
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, 2020, 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, 2020, 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 June 1, 2021, 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

June 1, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
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, 2020. 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 (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2020 are as follows:

- * General revenues accounted for \$24,137,671 in revenue or 91 percent of all revenues.
- * Program specific revenues in the form of charges for services and grants and contributions accounted for 2,244,726 or 9 percent of total revenues of \$26,382,417.
- * The School District had \$26,355,800 in expenses; only \$2,244,726 of these expenses were offset by program specific charges for services, grants or contributions.
- * Among Governmental Funds, the General Fund had \$23,674,182 in revenues and the General Fund's fund balance decreased \$76,926 over 2019.

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

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

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

transactions and ask the question, "How did we do financially during 2020?" 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.

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

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 2020 with comparative data from 2019.

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

The School District as a Whole (Continued)

Table I - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current & other assets	\$ 5,089,957	\$ 5,239,640	\$ 311,202	\$ 383,521	\$ 5,401,159	\$ 5,623,161
Capital assets	14,211,051	14,148,913	431	1,292	14,211,482	14,150,205
Total assets	19,301,008	19,388,553	311,633	384,813	19,612,641	19,773,366
DEFERRED OUTFLOWS OF RESOURCES		319,163				319,163
LIABILITIES						
Long-term liabilities	4,610,277	4,908,838			4,610,277	4,908,838
Other liabilities	314,551	387,433	72,585	65,050	387,136	452,483
Net pension liability	5,921,411	6,317,790				6,317,790
Total liabilities	10,846,239	11,614,061	72,585	65,050	4,997,413	11,679,111
DEFERRED INFLOWS OF RESOURCES	2,162,614	1,908,832			2,162,614	1,908,832
NET POSITION						
Invested in capital assets,						
Net of debt	10,291,051	9,808,913	431	1,292	10,291,482	9,810,205
Restricted	5,072,089	5,108,837			5,072,089	5,108,837
Unrestricted	(9,070,985)	(8,732,927)	238,617	318,471	(8,832,368)	(8,414,456)
Total net position	\$ 6,292,155	\$ 6,184,823	\$ 239,048	\$ 319,763	\$ 6,531,203	\$ 6,504,586

The District's combined unrestricted net position increased from the prior year by \$26,617

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

The School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2020 with comparative data from 2019.

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues:						
Charges for services			\$ 1,225,085	\$ 1,523,533	\$ 1,225,085	\$ 1,523,533
Operating grants & contributions	\$ 601,645	\$ 624,436	418,016	418,592	1,019,661	1,043,028
General revenues:						
Property taxes	11,681,107	11,459,497			11,681,107	11,459,497
Federal & state aid	11,376,057	12,785,854			11,376,057	12,785,854
Other	1,080,084	1,339,075	423	717	1,080,507	1,339,792
Total revenues	<u>24,738,893</u>	<u>26,208,862</u>	<u>1,643,524</u>	<u>1,942,842</u>	<u>26,382,417</u>	<u>28,151,704</u>
EXPENSES:						
Instruction	8,916,288	8,769,414			8,916,288	8,769,414
Support services	15,515,842	16,627,130			15,515,842	16,627,130
Interest on debt	162,888	178,887			162,888	178,887
Capital outlay	17,987	106,941			17,987	106,941
Transfer to Charter School	18,556				18,556	
Food service			643,377	835,429	643,377	835,429
Child study team			786,946	815,954	786,946	815,954
Business services			229,689	221,974	229,689	221,974
Chief school administrator			64,227	60,796	64,227	60,796
Total expenses	<u>24,631,561</u>	<u>25,682,372</u>	<u>1,724,239</u>	<u>1,934,153</u>	<u>26,355,800</u>	<u>27,616,525</u>
Change in net position	<u>\$ 107,332</u>	<u>\$ 526,490</u>	<u>\$ (80,715)</u>	<u>\$ 8,689</u>	<u>\$ 26,617</u>	<u>\$ 535,179</u>

Governmental Activities

Property taxes made up 47 percent of revenues for Governmental Activities for the Gateway Regional High School District for the Fiscal Year 2020. The District's total revenues were \$24,858,840 for the year ended June 30, 2020. Federal, state, and local grants accounted for 48 percent of revenue.

The total cost of all programs and services was \$24,797,138. Instruction comprises 36 percent of District expenses.

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Business-Type Activities

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

- * Expenditures exceeded revenues by \$80,715.
- * Charges for services represent \$1,225,085 of revenue.
- * Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$418,016.

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 2020, with comparative data for 2019. 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	
	2020	2019	2020	2019
Instruction	\$ 8,916,288	\$ 8,769,414	\$ 8,425,910	\$ 8,289,697
Support services:				
Pupil & instructional staff	4,153,963	3,815,832	4,047,322	3,686,217
General administration, school administration & business operation	1,316,888	1,192,966	1,316,888	1,192,966
Operation & maintenance of facilities	1,757,119	1,761,319	1,757,119	1,761,319
Pupil transportation	1,441,970	1,473,603	1,441,970	1,473,603
Interest	162,888	178,887	162,888	178,887
Other	6,882,445	8,490,351	6,877,819	8,475,247
	<u>\$ 24,631,561</u>	<u>\$ 25,682,372</u>	<u>\$ 24,029,916</u>	<u>\$ 25,057,936</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.

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

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 \$24,797,138 and expenditures were \$24,979,138.

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.

Capital Assets

At the end of the fiscal year 2020, the School District had \$14,211,482 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2020 balances compared to 2019.

Table 4 - Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land & construction in progress	\$ 159,975	\$ 159,975			\$ 159,975	\$ 159,975
Site improvements	1,906,721	2,032,475			1,906,721	2,032,475
Buildings & improvements	11,169,445	10,988,294			11,169,445	10,988,294
Machinery & equipment	974,910	968,169	\$ 431	\$ 1,292	975,341	969,461
Total	\$ 14,211,051	\$ 14,148,913	\$ 431	\$ 1,292	\$ 14,211,482	\$ 14,150,205

Overall capital assets increased \$61,277 from fiscal year 2019 to fiscal year 2020. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2020, the School District had \$4,610,277 of outstanding debt. Of this amount, \$586,598 is for compensated absences, \$103,679 is for obligations under capital lease, and \$3,920,000 is for serial bonds for school construction.

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

Gateway Regional High School District
Woodbury Heights, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

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.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,497,567	\$ 283,179	\$ 2,780,746
Receivables, net	1,321,454	20,101	1,341,555
Inventory		7,922	7,922
Restricted assets:			
Cash and cash equivalents	1,270,936		1,270,936
Land & construction in progress	159,975		159,975
Other capital assets, net	14,051,076	431	14,051,507
Total assets	19,301,008	311,633	19,612,641
LIABILITIES			
Accounts payable	298,605	72,585	371,190
Payable to state government	15,875		15,875
Deferred revenue	71		71
Noncurrent liabilities:			
Due within one year	491,354		491,354
Due beyond one year	4,118,923		4,118,923
Net pension liability	5,921,411		5,921,411
Total liabilities	10,846,239	72,585	10,918,824
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	2,162,614		2,162,614
NET POSITION			
Invested in capital assets, net of related debt	10,291,051	431	10,291,482
Restricted for:			
Capital projects	101,930		101,930
Other purposes	4,970,159		4,970,159
Unrestricted	(9,070,985)	238,617	(8,832,368)
Total net position	\$ 6,292,155	\$ 239,048	\$ 6,531,203

See accompanying notes to the basic financial statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

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	
Governmental activities:						
Instruction:						
Regular	\$ 5,709,393			\$ (5,709,393)		\$ (5,709,393)
Special education	2,305,747		\$ 490,378	(1,815,369)		(1,815,369)
Other special instruction	220,760			(220,760)		(220,760)
School sponsored activities	680,388			(680,388)		(680,388)
Support services:						
Tuition	1,184,975			(1,184,975)		(1,184,975)
Student & instructional related services	2,968,988		106,641	(2,862,347)		(2,862,347)
General administration	486,356			(486,356)		(486,356)
School administrative services	457,696			(457,696)		(457,696)
Central services	372,836			(372,836)		(372,836)
Plant operations & maintenance	1,757,119			(1,757,119)		(1,757,119)
Pupil transportation	1,441,970			(1,441,970)		(1,441,970)
Unallocated benefits	7,252,997			(7,252,997)		(7,252,997)
Capital outlay	17,987		4,626	(13,361)		(13,361)
Transfer to charter school	18,556			(18,556)		(18,556)
Interest on long-term debt	162,888			(162,888)		(162,888)
Total governmental activities	25,038,656		601,645	(24,437,011)		(24,437,011)
Business-type activities:						
Food service	643,377	\$ 236,034	418,016		\$ 10,673	10,673
Child study team	786,946	683,244			(103,702)	(103,702)
Business services	229,689	238,807			9,118	9,118
Chief school administrator services	64,227	67,000			2,773	2,773
Total business-type activities	1,724,239	1,225,085	418,016		(81,138)	(81,138)
Total primary government	\$ 26,762,895	\$ 1,225,085	\$ 1,019,661	\$ (24,437,011)	\$ (81,138)	\$ (24,518,149)
General revenues:						
Taxes:						
Property taxes levied for general purposes				\$ 11,098,220		\$ 11,098,220
Taxes levied for debt service				582,887		582,887
Federal and state aid not restricted				11,783,152		11,783,152
Tuition				129,210		129,210
Transportation fees				1,013,517		1,013,517
Investment earnings				21,190	\$ 423	21,613
Miscellaneous income				36,114		36,114
Prior year receivable canceled				(119,947)		(119,947)
Total general revenues, special items, extraordinary items, and transfers				24,544,343	423	24,544,766
Change in net position				107,332	(80,715)	26,617
Net position - beginning				6,184,823	319,763	6,504,586
Net position - end				\$ 6,292,155	\$ 239,048	\$ 6,531,203

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Permanent Fund	
ASSETS						
Cash and cash equivalents	\$ 3,512,849			\$ 1	\$ 11,589	\$ 3,524,439
Receivables from other governments	350,253	\$ 250,334	\$ 423,036			1,023,623
Other - transportation	253,371					253,371
Other receivables	44,460					44,460
Restricted cash and cash equivalents:	763,295					763,295
Total assets	\$ 4,924,228	\$ 250,334	\$ 423,036	\$ 1	\$ 11,589	5,609,188
LIABILITIES AND FUND BALANCES						
Liabilities:						
Cash deficit		\$ 198,125	\$ 321,106			519,231
Accounts payable	\$ 262,342	36,263				298,605
Payable to state government		15,875				15,875
Deferred revenue		71				71
Total liabilities	262,342	250,334	321,106			833,782
Fund balances:						
Nonspendable:						
Permanent fund principal					\$ 10,797	10,797
Restricted for:						
Excess surplus - designated for subsequent year's expenditures	1,807,446					1,807,446
Excess surplus	2,097,206					2,097,206
Capital reserve	425,000					425,000
Capital reserve - designated for subsequent year's expenditures	71,964					71,964
Maintenance reserve	266,331					266,331
Capital projects			101,930			101,930
Other purposes					792	792
Assigned to:						
Debt service fund				\$ 1		1
Year-end encumbrances	271,549					271,549
Designated for subsequent year's expenditures	19,865					19,865
Unassigned:						
General fund	(297,475)					(297,475)
Total fund balances	4,661,886		101,930	1	11,589	4,775,406
Total liabilities and fund balances	\$ 4,924,228	\$ 250,334	\$ 423,036	\$ 1	\$ 11,589	

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 \$30,044,315 and the accumulated depreciation is \$15,833,264 (See Note 7).	14,211,051
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).	(4,610,277)
Net pension liability adjustment	(8,084,025)
Net position of Governmental Activities	\$ 6,292,155

See accompanying notes to the basic financial statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	
REVENUES:						
Local sources:						
Local tax levy	\$ 11,098,220			\$ 582,887		\$ 11,681,107
Transportation fees	1,013,517					1,013,517
Interest earned on capital reserve funds	2,484					2,484
Miscellaneous	183,904				\$ 126	184,030
	<u>12,298,125</u>			<u>582,887</u>	<u>126</u>	<u>12,881,138</u>
State sources	11,351,776	\$ 138,340				11,490,116
Federal sources	24,281	463,305				487,586
Total revenues	<u>23,674,182</u>	<u>601,645</u>		<u>582,887</u>	<u>126</u>	<u>24,858,840</u>
EXPENDITURES:						
Current:						
Regular instruction	5,098,763					5,098,763
Special education instruction	1,815,369	490,378				2,305,747
Other special instruction	220,760					220,760
School sponsored activities	680,388					680,388
Support:						
Tuition	1,184,975					1,184,975
Student & instruction related services	2,771,793	106,641				2,878,434
General administration	404,034					404,034
School administrative services	456,673					456,673
Central services	372,836					372,836
Plant operations and maintenance	1,691,261					1,691,261
Pupil transportation	1,310,255					1,310,255
Unallocated benefits	6,657,124					6,657,124
Debt Service:						
Principal				420,000		420,000
Interest				162,888		162,888
Capital outlay	254,147	4,626	\$ 694,227			953,000
Total expenditures	<u>22,918,378</u>	<u>601,645</u>	<u>694,227</u>	<u>582,888</u>		<u>24,797,138</u>
Excess (deficiency) of revenues over expenditures	<u>755,804</u>		<u>(694,227)</u>	<u>(1)</u>	<u>126</u>	<u>61,702</u>
Other financing sources (uses):						
Transfer for capital projects	(694,227)		694,227			
Transfer to charter school	(18,556)					(18,556)
Prior year receivable canceled	(119,947)					(119,947)
Total other financing sources (uses)	<u>(832,730)</u>		<u>694,227</u>			<u>(138,503)</u>
Net change in fund balances	<u>(76,926)</u>			<u>(1)</u>	<u>126</u>	<u>(76,801)</u>
Fund balance - July 1	4,738,812		101,930	2	11,463	4,852,207
Fund balance - June 30	<u>\$ 4,661,886</u>		<u>\$ 101,930</u>	<u>\$ 1</u>	<u>\$ 11,589</u>	<u>\$ 4,775,406</u>

See accompanying notes to the basic financial statements.

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, 2020

Total net change in fund balances - Governmental Funds (from B-2)		\$	(76,801)
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>			
	Depreciation expense	\$	(822,473)
	Capital outlays	<u>884,611</u>	62,138
<p>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.</p>			
	Bond principal		420,000
	Capital lease obligation principal		50,402
<p>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.</p>			
			(171,841)
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>			
			<u>143,090</u>
Change in net position of Governmental Activities		<u>\$</u>	<u>426,988</u>

See accompanying notes to the basic financial statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Enterprise Funds				Total Enterprise Fund
	Major Fund Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	
ASSETS					
Cash and cash equivalents	\$ 95,985	\$ 74,093	\$ 18,300	\$ 94,801	\$ 283,179
Receivables, net	20,101				20,101
Inventory	7,922				7,922
Capital assets, net	431				431
Total assets	124,439	74,093	\$ 18,300	\$ 94,801	311,633
LIABILITIES					
Accounts payable	62,835	9,750			72,585
Total liabilities	62,835	9,750			72,585
NET POSITION					
Investment in capital assets, net of related debt	431				431
Unrestricted	61,173	64,343	\$ 18,300	\$ 94,801	238,617
Total net position	\$ 61,604	\$ 64,343	\$ 18,300	\$ 94,801	\$ 239,048

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	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	\$ 102,098				\$ 102,098
Daily sales - non-reimbursable programs	133,908				133,908
Other income	28				28
Services provided to other entities		\$ 683,244	\$ 238,807	\$ 67,000	989,051
Total operating revenue	<u>236,034</u>	<u>683,244</u>	<u>238,807</u>	<u>67,000</u>	<u>1,225,085</u>
Operating expenses					
Cost of sales - non-reimbursable programs	340,277				340,277
Salaries	208,766	643,184	226,910	57,195	1,136,055
Employee benefits	83,062	118,573		5,773	207,408
Other purchased services		9,992	1,699	529	12,220
Operations and maintenance	3,962				3,962
Supplies and materials	366	13,701	743		14,810
Miscellaneous expenditures	6,083	1,496	337		7,916
Depreciation	861			730	1,591
Total operating expenses	<u>643,377</u>	<u>786,946</u>	<u>229,689</u>	<u>64,227</u>	<u>1,724,239</u>
Operating income (loss)	<u>(407,343)</u>	<u>(103,702)</u>	<u>9,118</u>	<u>2,773</u>	<u>(499,154)</u>
Non-operating revenues (expenses):					
Interest earned	423				423
State sources:					
State school lunch program	5,465				5,465
Federal sources:					
School breakfast program	120,232				120,232
National school lunch program	256,912				256,912
After school snack program	2,120				2,120
Food distribution program commodities	33,287				33,287
Total non-operating revenues (expenses)	<u>418,439</u>				<u>418,439</u>
Change in net position	11,096	(103,702)	9,118	2,773	(80,715)
Total net position - beginning	50,508	168,045	9,182	92,028	319,763
Total net position - ending	<u>\$ 61,604</u>	<u>\$ 64,343</u>	<u>\$ 18,300</u>	<u>\$ 94,801</u>	<u>\$ 239,048</u>

See accompanying notes to the basic financial statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	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	\$ 273,637	\$ 683,244	\$ 238,807	\$ 67,000	\$ 1,262,688
Payments to employees	(208,766)	(643,184)	(226,910)	(57,195)	(1,136,055)
Payments for employee benefits	(83,062)	(118,573)		(5,773)	(207,408)
Payments to suppliers	(297,253)	(25,355)	(3,277)	(1,259)	(327,144)
Net cash provided by (used for) operating activities	<u>(315,444)</u>	<u>(103,868)</u>	<u>8,620</u>	<u>2,773</u>	<u>(407,919)</u>
Cash flows from non-capital financing activities:					
State sources	5,542				5,542
Federal sources	376,145				376,145
Net cash provided by non-capital financing activities	<u>381,687</u>				<u>381,687</u>
Cash flows from investing activities					
Interest earned	423				423
Net cash provided by investing activities	<u>423</u>				<u>423</u>
Net increase (decrease) in cash and cash equivalents	66,666	(103,868)	8,620	2,773	(25,809)
Balance - beginning of year	29,319	177,961	9,680	92,028	308,988
Balance - end of year	<u>\$ 95,985</u>	<u>\$ 74,093</u>	<u>\$ 18,300</u>	<u>\$ 94,801</u>	<u>\$ 283,179</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (407,343)	\$ (103,702)	\$ 9,118	\$ 2,773	\$ (499,154)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	861				861
Food distribution program	33,287				33,287
(Increase) decrease in accounts receivable	47,252				47,252
(Increase) decrease in inventory	2,300				2,300
Increase (decrease) in accounts payable	8,199	(166)	(498)		7,535
Net cash provided by (used for) operating activities	<u>\$ (315,444)</u>	<u>\$ (103,868)</u>	<u>\$ 8,620</u>	<u>\$ 2,773</u>	<u>\$ (407,919)</u>

See accompanying notes to the basic financial statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2020

	Trust		Agency		Total 2020
	Unemployment Compensation	Private Purpose	Student Activity	Payroll	
ASSETS					
Cash and cash equivalents	\$ 52,863	\$ 7,983	\$ 409,371	\$ 154,546	\$ 624,763
Interfund receivable	6,272				6,272
Total assets	<u>\$ 59,135</u>	<u>\$ 7,983</u>	<u>\$ 409,371</u>	<u>\$ 154,546</u>	<u>631,035</u>
LIABILITIES					
Payroll deductions and withholdings				\$ 148,274	148,274
Due to student groups			\$ 409,371		409,371
Interfund payable				6,272	6,272
Total liabilities			<u>\$ 409,371</u>	<u>\$ 154,546</u>	<u>563,917</u>
NET POSITION					
Held in trust for unemployment claims	\$ 59,135				59,135
Reserved for scholarships		\$ 7,983			7,983
Total net position	<u>\$ 59,135</u>	<u>\$ 7,983</u>			<u>\$ 67,118</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation	Private Purpose	Total 2020
ADDITIONS:			
Contributions	\$ 9,717		\$ 9,717
Interest earned	130	\$ 212	342
Total additions	<u>9,847</u>	<u>212</u>	<u>10,059</u>
DEDUCTIONS:			
Unemployment claims	16,412		16,412
Scholarships		3,000	3,000
Total deductions	<u>16,412</u>	<u>3,000</u>	<u>19,412</u>
Change in net position	(6,565)	(2,788)	(9,353)
Net position - beginning	65,700	10,771	76,471
Net position - end	<u>\$ 59,135</u>	<u>\$ 7,983</u>	<u>\$ 67,118</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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 is reported in three parts:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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 No. 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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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;

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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, 2020**

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 represents 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, 2020**

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, 2020**

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 Adopted

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

V. Recent Effective Accounting Pronouncements Postponed by Statement 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement, originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Effective Accounting Pronouncements Postponed by Statement 95 (Continued)

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

W. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have a significant impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Recent Accounting Pronouncements Not Yet Effective (Continued)

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial

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, 2020 and 2019, was \$4,676,445 and \$4,627,542. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$5,295,621 and \$5,202,798, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2020, 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.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4: RECEIVABLES

Receivables at June 30, 2020, 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	\$ 530,421	\$ 193
Federal aid	251,391	19,908
Other	539,642	
	<u>\$ 1,321,454</u>	<u>\$ 20,101</u>

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020:

	Interfund Receivable	Interfund Payable
Trust Fund	\$ 6,272	
Agency Fund		\$ 6,272
	<u>\$ 6,272</u>	<u>\$ 6,272</u>

NOTE 6: INVENTORY

Inventory in the Food Service Fund at June 30, 2020, consisted of the following:

Food	\$ 5,998
Supplies	1,924
	<u>\$ 7,922</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Governmental activities:				
Sites	\$ 159,975			\$ 159,975
Site improvements	5,650,153	\$ 142,150		5,792,303
Building & building improvements	19,807,587	561,577		20,369,164
Machinery & equipment	3,541,989	180,884		3,722,873
Totals at historical cost	<u>29,159,704</u>	<u>884,611</u>		<u>30,044,315</u>
Less: accumulated depreciation for:				
Site improvements	3,617,678	267,904		3,885,582
Building & building improvements	8,819,293	380,426		9,199,719
Machinery & equipment	2,573,820	174,143		2,747,963
Total accumulated depreciation	<u>15,010,791</u>	<u>822,473</u>		<u>15,833,264</u>
Governmental activities capital assets, net	<u>\$ 14,148,913</u>	<u>\$ 62,138</u>		<u>\$ 14,211,051</u>
Business-type activities:				
Machinery & equipment	\$ 134,270			\$ 134,270
Less: accumulated depreciation	132,978	\$ 861		133,839
Business-type capital assets, net	<u>\$ 1,292</u>	<u>\$ (861)</u>		<u>\$ 431</u>

Depreciation was charged to governmental functions as follows:

Instruction	\$ 452,024
Student instruction related services	90,554
General administration	82,322
Operations & maintenance	65,858
Transportation	131,715
	<u>\$ 822,473</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020, 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 3.125% to 4% per annum. The balance remaining at June 30, 2020, was \$3,920,000.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 4,340,000		\$ 420,000	\$ 3,920,000	\$ 440,000
Capital leases	154,081		50,402	103,679	51,354
Compensated absences	414,757	\$ 174,634	2,793	586,598	
	<u>\$ 4,908,838</u>	<u>\$ 174,634</u>	<u>\$ 473,195</u>	<u>\$ 4,610,277</u>	<u>\$ 491,354</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2021	\$ 440,000	\$ 146,087	\$ 586,087
2022	440,000	128,488	568,488
2023	440,000	110,887	550,887
2024	440,000	93,287	533,287
2025	440,000	75,687	515,687
2026-2029	1,720,000	141,750	1,861,750
	<u>\$ 3,920,000</u>	<u>\$ 696,186</u>	<u>\$ 4,616,186</u>

Bonds Authorized but Not Issued

As of June 30, 2020, 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.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

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.

For the year ended June 30, 2020, it is not necessary for the Board to establish a liability for arbitrage rebate.

Capital Lease Payable

The District has entered into lease purchase agreement for the acquisition of school buses. The lease agreement is for five years and carries an interest rate of 1.89%. 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, 2020:

Year Ended			
June 30,	Principal	Interest	Total
2021	\$ 51,354	\$ 1,960	\$ 53,314
2022	52,325	989	53,314
	<u>\$ 103,679</u>	<u>\$ 2,949</u>	<u>\$ 106,628</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/financial-reports.shtml>.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: PENSION FUNDS (CONTINUED)

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, 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. Employers are required to contribute at an actuarially determined rate in both the TPAF and the 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 7.5% of covered payroll. The District's contributions to the PERS for the years ending June 30, 2020, 2019, and 2018, were \$319,660, \$319,163, and \$294,930, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$2,487,019 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 \$656,313 during the year ended June 30, 2020, for the employer's share of Social Security Contributions for the 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 No. 27.

The District's total payroll for the years ended June 30, 2020, 2019, and 2018, was \$13,228,892, \$13,025,236, and \$12,691,021, respectively. Covered payroll was \$2,372,611, \$2,486,018, and \$2,424,424 for the PERS and \$9,123,069, \$9,224,477, and \$9,129,076 for the TPAF, for the same years.

For the year ended June 30, 2020, the District recognized pension expense of \$176,570. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: PENSION FUNDS (CONTINUED)

Funding Policy (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 53,097
Changes of assumptions		1,862,505
Net difference between projected and actual earning on pension plan investments		157,471
Changes in proportion and differences between District contributions and proportionate share of contributions		89,541
Employer contributions subsequent to the measurement date	\$ 319,660	
	\$ 319,660	\$ 2,162,614

\$319,660 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, 2020. 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	Amount
June 30,	
2021	\$ (402,550)
2022	(865,282)
2023	(634,977)
2024	(240,847)
2025	(18,958)
	\$ (2,162,614)

Additional Information – Collective balances at June 30, 2018 and 2019, are as follows:

	June 30, 2018	June 30, 2019
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 3,149,522,616
Collective deferred inflows of resources	7,646,736,226	7,645,087,574
Collective net pension liability	19,689,501,539	18,018,482,972
District's proportion	0.0320871000%	0.0328629807%

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.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (Continued) - 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, 2020, 2019, and 2018, were \$13,829, \$16,369, and \$10,979, respectively, for covered employees.

NOTE 10: POSTEMPLOYMENT BENEFITS

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from Board of Education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a Board of Education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020, as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$38,477,839. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018, for the TPAF, PERS, and PFRS, respectively.

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

	Total OPEB Liability
Balance at June 30, 2018	\$ 46,110,832,982
Changes for the year:	
Service cost	1,734,404,850
Interest	1,827,787,206
Changes of benefit terms	-
Differences between expected and actual experience	(7,323,140,818)
Changes in assumptions or other inputs	622,184,027
Contributions - Member	37,971,171
Benefit payments	(1,280,958,373)
Net changes	(4,381,751,937)
Balance at June 30, 2019	\$ 41,729,081,045

There were no changes in benefit terms from 2018 to 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District using a discount rate of 3.50%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 50,265,162	\$ 38,477,839	\$ 36,360,156

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 42,587,669	\$ 38,477,839	\$ 59,363,419

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - (Continued)

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,629,826	16,189,378,926
Collective OPEB Expense	<u>1,015,664,874</u>	<u>2,129,660,368</u>
District's proportion	0.10%	0.10%

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

For the fiscal year ended June 30, 2020, the Board of Education recognized \$407,095 in OPEB expense and revenue, in the Government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		<u>(8,481,529,343)</u>
Total	<u>None</u>	<u>\$ (18,966,494,643)</u>

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

<u>Year Ended June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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: 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:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance: (Continued)

Year Ended June 30,	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2020	None	\$ 9,717	\$ 16,412	\$ 59,135
2019	None	21,213	5,491	65,700
2018	None	20,540	1,659	49,808

NOTE 14: 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, 2020, fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 1,001,462
Interest earned	2,484
Deposits approved by resolution	250,000
Budgeted withdrawals	(756,982)
Ending balance, June 30, 2020	<u>\$ 496,964</u>

Of the \$496,964 balance at year-end, \$71,964 was designated for use in the 2020-2021 budget leaving a balance of \$425,000.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15: 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, 2020, the Nonspendable Fund balance was \$10,797.

Restricted

General Fund - In accordance with NJSA 18A:7F-7, \$3,904,652 is restricted as excess surplus (\$1,807,446 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2021). As of June 30, 2020, \$496,964 has been reserved in the Capital Reserve Account and \$71,964 of this balance has been appropriated and included as anticipated revenue for the year ended June 30, 2021. Also, \$266,331 has been reserved in the Maintenance Reserve Account.

Capital Projects Fund - The Capital Projects Fund balance as of June 30, 2020, was \$101,930.

Permanent Fund - The Permanent Fund has a restricted fund balance in the amount of \$792 as of June 30, 2020. 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, 2020, the District had \$271,549 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year and \$19,865 that the District has appropriated and included as anticipated revenue for the year ending June 30, 2021.

Debt Service Fund - As of June 30, 2020, the District had \$1 of assigned fund balance.

Unassigned

General Fund - As of June 30, 2020, a deficit of \$297,475 of fund balance was unassigned.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 16: 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, 2020, is \$3,904,652.

NOTE 17: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$297,475 in the General Fund as of June 30, 2020, 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 \$297,475 is less than the last state aid payments.

NOTE 18: 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.

NOTE 19: 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 48% of the District's 2019-20 General Fund revenue, while local tax levy accounted for approximately 47%.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 20: 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.

One of the Boroughs of the sending Districts had tax abatements for the year ended December 31, 2019, as follows.

The Borough of Westville entered into tax abatement agreements under the provision of NJSA 40A:21-1 et seq. "The Five-Year Exemption and Abatement Law" for the fiscal year ended December 31, 2019, property taxes abated by the Borough under this law totaled \$4,156. The following is a summary of the agreements:

- An abatement of 30% to two entities for home improvement exemptions as defined in the statute. The total of the abatements amounted to \$4,156.

NOTE 21: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and June 1, 2021, 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. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, food service revenues, and other fees. Other financial impact could occur though such potential impact is unknown at this time.

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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 11,098,220		\$ 11,098,220	\$ 11,098,220	
Tuition	96,000		96,000		\$ (96,000)
Transportation fees	905,000		905,000	1,013,517	108,517
Interest earned on maintenance reserve funds	15		15	1,331	1,316
Interest earned on capital reserve funds	1,100		1,100	2,484	1,384
Miscellaneous	41,362		41,362	182,573	141,211
Total - local sources	12,141,697		12,141,697	12,298,125	156,428
State sources:					
School choice aid	700,992		700,992	700,992	
Extraordinary aid				64,913	64,913
Categorical special education aid	581,865		581,865	581,865	
Equalization aid	6,180,270		6,180,270	6,180,270	
Categorical security aid	192,533		192,533	192,533	
Categorical transportation aid	502,794		502,794	502,794	
Reimbursed nonpublic school transportation costs				3,770	3,770
TPAF - post-retirement medical (on-behalf non-budgeted)				672,620	672,620
TPAF pension contributions (on-behalf non-budgeted)				1,813,081	1,813,081
TPAF - long term disability insurance (on-behalf non-budgeted)				1,318	1,318
Reimbursed TPAF Social Security contributions (non-budgeted)				656,313	656,313
Total - state sources	8,158,454		8,158,454	11,370,469	3,212,015
Federal sources:					
Medical assistance program	27,387		27,387	24,281	(3,106)
Total - federal sources	27,387		27,387	24,281	(3,106)
Total revenues	\$ 20,327,538		\$ 20,327,538	\$ 23,692,875	\$ 3,365,337

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Grades 6-8 - salaries of teachers	\$ 2,028,041	\$ (287,886)	\$ 1,740,155	\$ 1,594,135	\$ 146,020
Grades 9-12 - salaries of teachers	2,778,076	287,886	3,065,962	3,054,317	11,645
Regular programs - home instruction:					
Salaries of teachers	22,450		22,450	1,841	20,609
Purchased professional - educational services	20,000		20,000	6,797	13,203
Regular programs - undistributed instruction:					
Purchased professional - educational services	6,250		6,250	2,000	4,250
Purchased technical services	127,198	626	127,824	82,530	45,294
Other purchased services	119,640		119,640	82,293	37,347
General supplies	395,524	(626)	394,898	261,063	133,835
Textbooks	14,389		14,389	10,800	3,589
Other objects	11,561		11,561	2,987	8,574
Total regular programs - instruction	<u>5,523,129</u>		<u>5,523,129</u>	<u>5,098,763</u>	<u>424,366</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	168,339	5,473	173,812	172,312	1,500
Other salaries for instruction	63,274	23,472	86,746	84,746	2,000
General supplies	10,900	(5,473)	5,427	4,411	1,016
Textbooks	2,500		2,500		2,500
Other objects	1,000		1,000	144	856
Total learning and/or language disabilities	<u>246,013</u>	<u>23,472</u>	<u>269,485</u>	<u>261,613</u>	<u>7,872</u>
Behavioral disabilities:					
Salaries of teachers	164,589		164,589	163,986	603
Other salaries for instruction	58,950		58,950	54,206	4,744
General supplies	7,400		7,400	4,437	2,963
Other objects	1,750		1,750	404	1,346
Total behavioral disabilities	<u>232,689</u>		<u>232,689</u>	<u>223,033</u>	<u>9,656</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	1,026,645	18,012	1,044,657	1,028,214	16,443
Other salaries for instruction	341,795	(45,716)	296,079	272,499	23,580
Purchased technical services	8,130	(157)	7,973	596	7,377
General supplies	5,000	157	5,157	5,156	1
Total resource room/resource center	1,381,570	(27,704)	1,353,866	1,306,465	47,401
Home instruction:					
Salaries of teachers	9,700	15,774	25,474	23,472	2,002
Purchased professional - educational services	16,000	(11,542)	4,458	786	3,672
Total home instruction	25,700	4,232	29,932	24,258	5,674
Total special education - instruction	1,885,972		1,885,972	1,815,369	70,603
Basic skills/remedial - instruction:					
Salaries of teachers	226,716		226,716	220,760	5,956
General supplies	150		150		150
Total basic skills/remedial - instruction	226,866		226,866	220,760	6,106
Bilingual education - instruction:					
Salaries of teachers	2,500		2,500		2,500
General supplies	275		275		275
Total bilingual education - instruction	2,775		2,775		2,775
School-sponsored co-curricular activities - instruction:					
Salaries	143,214		143,214	140,339	2,875
Purchased professional - educational services	4,200		4,200	3,500	700
Purchased services	8,675		8,675	3,436	5,239
Supplies and materials	32,568		32,568	23,519	9,049
Other objects	9,650		9,650	1,665	7,985
Total school-sponsored co-curricular activities - instruction	198,307		198,307	172,459	25,848

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-sponsored co-curricular athletics - instruction:					
Salaries	415,326		415,326	384,502	30,824
Purchased services	145,047		145,047	46,175	98,872
Supplies and materials	87,212		87,212	62,417	24,795
Other objects	34,425		34,425	14,835	19,590
Total school-sponsored co-curricular athletics - instruction:	682,010		682,010	507,929	174,081
Total instruction and at-risk programs	8,519,059		8,519,059	7,815,280	703,779
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	3,000	(1,324)	1,676	562	1,114
Tuition to other LEA's within the state - special	97,715		97,715	24,484	73,231
Tuition to county voc. school district - regular	159,120		159,120	141,168	17,952
Tuition to CSSD & regional day schools	445,480		445,480	413,920	31,560
Tuition to private schools for the disabled - within state	844,507		844,507	604,841	239,666
Tuition other	18,556		18,556		18,556
Total undistributed expenditures - instruction	1,568,378	(1,324)	1,567,054	1,184,975	382,079
Undistributed expenditures - attendance and social work:					
Salaries	26,753	519	27,272	27,272	
Purchased professional - technical services	9,345	(546)	8,799	4,706	4,093
Other purchased services		27	27	27	
Total undistributed expenditures - attendance and social work	36,098		36,098	32,005	4,093
Undistributed expenditures - health services:					
Salaries	126,586	85,642	212,228	205,444	6,784
Purchased professional - technical services	3,000	18,800	21,800	21,655	145
Other purchased services	3,000		3,000	1,623	1,377
Supplies and materials	3,800		3,800	1,765	2,035
Other objects	175		175		175
Total undistributed expenditures - health services	136,561	104,442	241,003	230,487	10,516
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	75,970		75,970	33,978	41,992
Purchased professional - educational services	25,706		25,706	6,850	18,856
Supplies and materials	750		750		750
Total undistributed expenditures - speech, OT, PT & related services	102,426		102,426	40,828	61,598

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - guidance:					
Salaries of other professional staff	577,089	(36,500)	540,589	532,343	8,246
Salaries of secretarial and clerical assistants	41,359	(1,041)	40,318	37,895	2,423
Other salaries	156,645	1,041	157,686	157,686	
Purchased professional - educational services	10,900	(560)	10,340	2,939	7,401
Purchased professional - technical services	20,587	560	21,147	21,147	
Other purchased services	15,990		15,990	10,026	5,964
Supplies and materials	25,177		25,177	7,856	17,321
Other objects	2,584		2,584	1,099	1,485
Total undistributed expenditures - guidance	850,331	(36,500)	813,831	770,991	42,840
Undistributed expenditures - child study team:					
Salaries of other professional staff	177,566	(49,142)	128,424	128,254	170
Salaries of secretarial and clerical assistants	39,923		39,923	39,729	194
Other salaries	33,250		33,250	26,574	6,676
Purchased professional - educational services	451,503	(18,800)	432,703	411,603	21,100
Purchased professional - technical services	10,000		10,000	2,990	7,010
Miscellaneous purchased services	6,200		6,200		6,200
Supplies and materials	3,900		3,900	1,057	2,843
Total undistributed expenditures - child study team	722,342	(67,942)	654,400	610,207	44,193
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	458,650	1,732	460,382	459,171	1,211
Salaries of secretaries and clerical assistants	63,563	758	64,321	64,321	
Other salaries	121,828	(2,352)	119,476	116,959	2,517
Purchased professional - educational services	41,784	(4,336)	37,448	2,500	34,948
Purchased professional - technical services	33,388	1,462	34,850	34,849	1
Other purchased services	30,343		30,343	18,374	11,969
Supplies and materials	10,254		10,254	3,082	7,172
Other objects	14,235	2,874	17,109	8,517	8,592
Total undistributed expenditures - improvement of inst. services	774,045	138	774,183	707,773	66,410

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	125,007		125,007	117,006	8,001
Salaries of technical coordinators	237,372		237,372	229,613	7,759
Purchased professional - technical services	8,820	160	8,980	8,980	
Other purchased services	10,729	(473)	10,256	6,598	3,658
Supplies and materials	17,086	313	17,399	17,143	256
Other objects	320		320	97	223
Total Undistributed expenditures - edu. media serv./sch. library	399,334		399,334	379,437	19,897
Undistributed expenditures - instructional staff training					
Other purchased services	8,000		8,000	65	7,935
Total undistributed expenditures - instructional staff training	8,000		8,000	65	7,935
Undistributed expenditures - supp. serv. - general administration:					
Salaries	194,186		194,186	192,556	1,630
Legal services	12,000		12,000	11,952	48
Audit fees	27,250	250	27,500	27,500	
Architectural/engineering services	5,000	62,605	67,605	54,104	13,501
Other purchased professional services	8,000	(3,630)	4,370	3,916	454
Communications/telephone	48,200	(8,045)	40,155	40,155	
BOE other purchased services	175		175		175
Other purchased services	77,865	(12,925)	64,940	61,554	3,386
General supplies	4,120		4,120	1,013	3,107
Miscellaneous expenditures	1,975	(250)	1,725	1,685	40
BOE membership dues and fees	9,675		9,675	9,599	76
Total undistributed expenditures - supp. serv. - general administration	388,446	38,005	426,451	404,034	22,417

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - supp. serv. - school administration:					
Salaries of principals/assistant principals/program directors	349,377		349,377	349,038	339
Salaries of secretarial and clerical assistants	78,760		78,760	78,715	45
Purchased professional - technical services	500		500		500
Other purchased services	11,875		11,875	4,225	7,650
Supplies and materials	24,100		24,100	13,709	10,391
Other objects	11,270		11,270	10,986	284
Total undistributed expenditures - supp. serv. - school administration:	<u>475,882</u>		<u>475,882</u>	<u>456,673</u>	<u>19,209</u>
Undistributed expenditures - central services:					
Salaries	327,722		327,722	321,594	6,128
Purchased professional services	5,440		5,440	3,257	2,183
Purchased technical services	30,052		30,052	21,238	8,814
Miscellaneous purchased services	6,925		6,925	6,188	737
Supplies and materials	4,850	13,600	18,450	18,403	47
Miscellaneous expenditures	2,675		2,675	2,156	519
Total undistributed expenditures - central services	<u>377,664</u>	<u>13,600</u>	<u>391,264</u>	<u>372,836</u>	<u>18,428</u>
Undistributed expenditures - required maintenance for school facilities:					
Salaries	101,390		101,390	90,593	10,797
Cleaning, repair, and maintenance services	176,375	(18,013)	158,362	110,905	47,457
General supplies	69,622	12,128	81,750	67,380	14,370
Total undistributed expenditures - required maintenance for school facilities	<u>347,387</u>	<u>(5,885)</u>	<u>341,502</u>	<u>268,878</u>	<u>72,624</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - custodial services:					
Salaries	641,929		641,929	617,425	24,504
Purchased professional - technical services	11,990	1,948	13,938	13,937	1
Cleaning, repair, and maintenance services	97,280	5,885	103,165	103,164	1
Rental of land and buildings	16,000	(1,948)	14,052	5,600	8,452
Other purchased property services	81,348	1,186	82,534	69,943	12,591
Insurance	181,466		181,466	173,227	8,239
Miscellaneous purchased services	2,575		2,575	158	2,417
General supplies	114,600	(768)	113,832	88,670	25,162
Energy (natural gas)	99,600		99,600	73,298	26,302
Energy (electricity)	241,500		241,500	203,878	37,622
Other objects	3,500		3,500	2,850	650
Total undistributed expenditures - custodial services	<u>1,491,788</u>	<u>6,303</u>	<u>1,498,091</u>	<u>1,352,150</u>	<u>145,941</u>
Security:					
Purchased professional - technical services	92,000		92,000	61,465	30,535
General supplies	8,000	768	8,768	8,768	
Total security	<u>100,000</u>	<u>768</u>	<u>100,768</u>	<u>70,233</u>	<u>30,535</u>
Total undistributed expenditures - oper. & maint. of plant services	<u>1,939,175</u>	<u>1,186</u>	<u>1,940,361</u>	<u>1,691,261</u>	<u>249,100</u>
Undistributed expenditures - student transportation services:					
Salaries for pupils trans. (bet. home & school) - regular	310,927		310,927	283,017	27,910
Salaries for pupils trans. (bet. home & school) - special	603,734		603,734	504,514	99,220
Salaries for pupils trans. (bet. home & school) - nonpublic school	165,844		165,844	129,178	36,666
Cleaning, repair and maintenance services	44,080		44,080	21,956	22,124
Lease purchase payments - school buses	53,314		53,314	53,314	
Contract services - aid in lieu of payments	45,000		45,000	26,511	18,489
Contract services (regular) vendors	500	(217)	283		283
Contract services (special ed. students) joint agreements	165,000	217	165,217	165,217	
Miscellaneous purchased services - transportation	1,500		1,500		1,500
General supplies	205,715		205,715	118,740	86,975
Other objects	12,930		12,930	7,808	5,122
Total undistributed expenditures - student transportation services:	<u>1,608,544</u>		<u>1,608,544</u>	<u>1,310,255</u>	<u>298,289</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Social security contributions	331,547		331,547	296,620	34,927
Other retirement contributions - PERS	351,685	(13,829)	337,856	321,493	16,363
Other retirement contributions - regular		13,829	13,829	13,829	
Unemployment compensation	2,500		2,500		2,500
Workmen's compensation	161,289		161,289	155,025	6,264
Health benefits	2,764,997	(59,527)	2,705,470	2,527,034	178,436
Tuition reimbursement	42,000		42,000	39,188	2,812
Other employee benefits	152,185	7,922	160,107	160,103	4
Unused sick payments to terminated/retired staff	15,000		15,000	500	14,500
Total unallocated benefits - employee benefits	<u>3,821,203</u>	<u>(51,605)</u>	<u>3,769,598</u>	<u>3,513,792</u>	<u>255,806</u>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				1,813,081	(1,813,081)
On-behalf TPAF OPEB (post-retirement medical) contributions (non-budgeted)				672,620	(672,620)
On-behalf TPAF long term disability (non-budgeted)				1,318	(1,318)
Reimbursed TPAF Social Security contributions (non-budgeted)				656,313	(656,313)
Total on-behalf contributions				<u>3,143,332</u>	<u>(3,143,332)</u>
Total personal services - employee benefits	<u>3,821,203</u>	<u>(51,605)</u>	<u>3,769,598</u>	<u>6,657,124</u>	<u>(2,887,526)</u>
Total undistributed expenditures	<u>13,208,429</u>		<u>13,208,429</u>	<u>14,848,951</u>	<u>(1,640,522)</u>
Total general current expense	<u>21,727,488</u>		<u>21,727,488</u>	<u>22,664,231</u>	<u>(936,743)</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Interest deposited to capital reserve	1,100		1,100		1,100
Interest deposited to capital reserve	15		15		15
Equipment:					
School sponsored and other instructional programs					
Undistributed - instruction	76,490		76,490	68,454	8,036
Undistributed - support services	5,500		5,500	3,786	1,714
Undistributed - central services	3,000		3,000		3,000
Undistributed - custodial services	9,500		9,500	8,116	1,384
Undistributed - care and upkeep of grounds	8,700		8,700	8,662	38
Undistributed - student trans - non-inst. equipment	16,500		16,500	14,065	2,435
School buses - regular	99,950		99,950		99,950
School buses - special	62,600		62,600	62,589	11
Special schools - all programs	13,800		13,800	2,300	11,500
Total equipment	296,040		296,040	167,972	128,068
Facilities acquisition and construction services:					
Construction services	20,000		20,000	2,000	18,000
Assessment for debt service on SDA funding	84,175		84,175	84,175	
Total facilities acquisition and construction services	104,175		104,175	86,175	18,000
Total capital outlay	401,330		401,330	254,147	147,183
Total expenditures	22,128,818		22,128,818	22,918,378	(789,560)
Excess (deficiency) of revenues over (under) expenditures	(1,801,280)		(1,801,280)	774,497	(2,575,777)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources:					
Operating transfer in/(out):					
Capital reserve - transfer for capital projects	(776,700)		(776,700)	(694,227)	(82,473)
Transfer to charter school	(18,556)		(18,556)	(18,556)	
Prior year receivable canceled				(119,947)	119,947
Total other financing sources	<u>(795,256)</u>		<u>(795,256)</u>	<u>(832,730)</u>	<u>37,474</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(2,596,536)		(2,596,536)	(58,233)	(2,538,303)
Fund balance, July 1	5,495,662		5,495,662	5,495,662	
Fund balance, June 30	<u>\$ 2,899,126</u>		<u>\$ 2,899,126</u>	<u>\$ 5,437,429</u>	<u>\$ (2,538,303)</u>
Recapitulation:					
Restricted fund balance:					
Excess surplus designated for subsequent year's expenditures				\$ 1,807,446	
Excess surplus - current year				2,097,206	
Capital reserve				71,964	
Capital reserve designated for subsequent year expenditures				425,000	
Maintenance reserve				266,331	
Assigned fund balance:					
Designated for subsequent year's expenditures				19,865	
Year-end encumbrances				271,549	
Unassigned fund balance				478,068	
				<u>5,437,429</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(775,543)	
Fund balance per governmental funds (GAAP)				<u>\$ 4,661,886</u>	

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 170,999		\$ 170,999	\$ 138,340	\$ (32,659)
Federal sources	508,771		508,771	463,855	(44,916)
Total revenues	\$ 679,770		\$ 679,770	\$ 602,195	\$ (77,575)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 83,565	\$ (670)	\$ 82,895	\$ 82,895	
Purchased professional - technical services	28,373	34	28,407	22,504	\$ 5,903
Purchased professional - educational services	21,381		21,381	11,776	9,605
Other purchased services	42,370		42,370	38,999	3,371
Tuition	214,197	2,444	216,641	216,641	
General supplies	114,992	(5,210)	109,782	109,114	668
Textbooks	4,955		4,955	4,889	66
Other objects	6,160	(2,444)	3,716	3,560	156
Total instruction	515,993	(5,846)	510,147	490,378	19,769
Support services:					
Salaries	4,200		4,200	4,200	
Personal services - employee benefits	33,241	3,980	37,221	37,221	
Purchased professional - technical services	9,098		9,098	3,000	6,098
Purchased professional - educational services	74,460	3,000	77,460	47,180	30,280
Other purchased services	6,511		6,511	150	6,361
Supplies and materials	24,311	(1,134)	23,177	15,440	7,737
Other objects	500		500	500	
Total support services	152,321	5,846	158,167	107,191	50,976
Facilities acquisition and construction:					
Instructional equipment	11,456		11,456	4,626	6,830
Total facilities acquisition and construction	11,456		11,456	4,626	6,830
Total expenditures	\$ 679,770		\$ 679,770	\$ 602,195	\$ 77,575

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, 2020

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.	\$ 23,692,875	\$ 602,195
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(550)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	756,850	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the following year.	(775,543)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 23,674,182	\$ 601,645
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 22,918,378	\$ 602,195
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.		(550)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 22,918,378	\$ 601,645

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 Six Fiscal Years

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0303190651%	0.0336773629%	0.0342099152%	0.0318363735%	0.0320871000%	0.0328629807%
District's proportionate share of the net pension liability (asset)	\$ 5,676,558	\$ 7,559,893	\$ 10,131,996	\$ 7,410,999	\$ 6,317,790	\$ 5,921,411
District's covered-employee payroll	2,010,231	2,177,425	2,120,627	2,234,842	2,327,820	2,372,611
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	282.38%	347.19%	477.78%	331.61%	271.40%	249.57%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.59%	56.27%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Contractually required contribution	\$ 249,946	\$ 289,535	\$ 303,916	\$ 294,930	\$ 319,163	\$ 319,660
Contributions in relation to the contractually required contribution	<u>249,946</u>	<u>289,535</u>	<u>303,916</u>	<u>294,930</u>	<u>319,163</u>	<u>319,660</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 2,010,231	\$ 2,177,425	\$ 2,120,627	\$ 2,234,842	\$ 2,327,820	\$ 2,372,611
Contributions as a percentage of covered-employee payroll	12.43%	13.30%	14.33%	13.20%	13.71%	13.47%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0781414459%	0.0765392131%	0.7897638290%	0.7974164790%	0.0786759319%	0.0818369239%
District's proportionate share of the net pension liability (asset)	\$ 41,764,060	\$ 48,376,051	\$ 62,127,851	\$ 53,764,694	\$ 50,051,938	\$ 50,224,093
District's covered-employee payroll	7,835,258	8,147,501	8,424,438	8,585,920	8,908,611	9,123,069
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	533.03%	593.75%	737.47%	626.20%	561.84%	550.52%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	22.33%	26.49%	26.95%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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 the TPAF collective deferred outflows of resources and the TPAF deferred inflows of resources.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	Fiscal Year Ended		
	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 2,060,627	\$ 1,706,246	\$ 1,550,664
Interest	1,685,700	1,946,952	1,760,174
Changes of benefit terms			
Differences between expected and actual experience		(6,145,597)	(8,760,071)
Changes of assumptions or other inputs	(6,987,733)	(5,106,541)	573,708
Member contributions	45,414	41,125	35,013
Benefit payments	(1,233,319)	(1,189,901)	(1,181,155)
Net change in total OPEB liability	(4,429,311)	(8,747,716)	(6,021,667)
Total OPEB liability - beginning	57,676,533	53,247,222	44,499,506
Total OPEB liability - ending	<u>\$ 53,247,222</u>	<u>\$ 44,499,506</u>	<u>\$ 38,477,839</u>
Covered employee payroll	\$ 11,553,500	\$ 11,236,431	\$ 11,495,680
Total OPEB liability as a percentage of covered employee payroll	460.88%	396.03%	334.72%

Notes to Schedule:*Changes of benefit terms:*

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2018	3.58%
2019	3.87%
2020	3.50%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES TO RELATED PENSIONS

NOTE 1: CONTRIBUTIONS

The contribution policy for the 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, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The actuarial valuation used the following actuarial assumptions:

Inflation rate	2.75%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

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

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for the TPAF and PERS, respectively.

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.state.nj.us/treasury/pensions/gasb-notices-opeb.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, 2020

	Total Brought Forward (Exhibit E-1a)	Title I	Title I SIA	Title I Reallocated	Title II Part A	Total
REVENUES:						
Federal sources	\$ 256,421	\$ 134,933	\$ 41,555	\$ 14,154	\$ 16,792	\$ 463,855
State sources	138,340					138,340
Total revenues	\$ 394,761	\$ 134,933	\$ 41,555	\$ 14,154	\$ 16,792	\$ 602,195
EXPENDITURES:						
Instruction:						
Salaries of teachers		\$ 82,895				\$ 82,895
Purchased professional - technical services	\$ 14,004		\$ 8,500			22,504
Purchased professional - educational services	11,776					11,776
Other purchased services	38,999					38,999
Tuition	216,641					216,641
General supplies	73,122	11,500	20,903	\$ 3,589		109,114
Textbooks	4,889					4,889
Other objects				3,560		3,560
Total instruction	359,431	94,395	29,403	7,149		490,378
Support services:						
Salaries		3,000			\$ 1,200	4,200
Personal services - employee's benefits		37,129			92	37,221
Purchased professional - technical services				3,000		3,000
Purchased professional - educational services	30,880		2,900		13,400	47,180
Other purchased services					150	150
Supplies and materials	4,450	409	4,626	4,005	1,950	15,440
Total support services	35,330	40,538	7,526	7,005	16,792	107,191
Facilities acquisition and construction:						
Instructional equipment			4,626			4,626
Total facilities acquisition and construction			4,626			4,626
Total expenditures	\$ 394,761	\$ 134,933	\$ 41,555	\$ 14,154	\$ 16,792	\$ 602,195

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1b)	Title IV	IDEA Basic	Nonpublic Textbook	Nonpublic Nursing Services	Nonpublic Technology	Total Carried Forward
REVENUES:							
Federal sources		\$ 5,245	\$ 251,176				\$ 256,421
State sources	\$ 120,949			\$ 4,889	\$ 9,118	\$ 3,384	138,340
Total revenues	<u>\$ 120,949</u>	<u>\$ 5,245</u>	<u>\$ 251,176</u>	<u>\$ 4,889</u>	<u>\$ 9,118</u>	<u>\$ 3,384</u>	<u>\$ 394,761</u>
EXPENDITURES:							
Instruction:							
Purchased professional - technical services	\$ 9,309	\$ 4,695					\$ 14,004
Purchased professional - educational services	11,776						11,776
Other purchased services	26,497				\$ 9,118	\$ 3,384	38,999
Tuition			\$ 216,641				216,641
General supplies	69,467		3,655				73,122
Textbooks				\$ 4,889			4,889
Total instruction	<u>117,049</u>	<u>4,695</u>	<u>220,296</u>	<u>4,889</u>	<u>9,118</u>	<u>3,384</u>	<u>359,431</u>
Support services:							
Purchased professional - educational services			30,880				30,880
General supplies	3,900	550					4,450
Total support services	<u>3,900</u>	<u>550</u>	<u>30,880</u>				<u>35,330</u>
Total expenditures	<u>\$ 120,949</u>	<u>\$ 5,245</u>	<u>\$ 251,176</u>	<u>\$ 4,889</u>	<u>\$ 9,118</u>	<u>\$ 3,384</u>	<u>\$ 394,761</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, 2020

	Advanced Computer Science	Nonpublic Handicapped Services			Nonpublic Auxiliary Services		Total Carried Forward
		Corr Speech	Exam & Class	Supp Inst	Comp Ed	Transp	
REVENUES:							
State sources	\$ 73,367	\$ 6,380	\$ 5,396	\$ 9,309	\$ 24,904	\$ 1,593	\$ 120,949
Total revenues	<u>\$ 73,367</u>	<u>\$ 6,380</u>	<u>\$ 5,396</u>	<u>\$ 9,309</u>	<u>\$ 24,904</u>	<u>\$ 1,593</u>	<u>\$ 120,949</u>
EXPENDITURES:							
Instruction:							
Purchased professional - technical services				\$ 9,309			\$ 9,309
Purchased professional - educational services		\$ 6,380	\$ 5,396				11,776
Other purchased services					\$ 24,904	\$ 1,593	26,497
General supplies	\$ 69,467						69,467
Total instruction	<u>69,467</u>	<u>6,380</u>	<u>5,396</u>	<u>9,309</u>	<u>24,904</u>	<u>1,593</u>	<u>117,049</u>
Support services:							
General supplies	3,900						3,900
Total support	<u>3,900</u>						<u>3,900</u>
Total expenditures	<u>\$ 73,367</u>	<u>\$ 6,380</u>	<u>\$ 5,396</u>	<u>\$ 9,309</u>	<u>\$ 24,904</u>	<u>\$ 1,593</u>	<u>\$ 120,949</u>

CAPITAL PROJECTS FUND

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2020

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2020
			Prior Years	Current Year	
Replacing Existing Roof System and Refurbishing the 300 Wing Elevator	11/30/2015	\$ 423,036	\$ 321,106	None	\$ 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, 2020

Revenues and other financing sources:	
Capital reserve - transfer for capital projects	\$ 694,227
Expenditures and other financing uses:	
Construction services	694,227
Excess (deficiency) of revenues over (under) expenditures	<u>None</u>
Fund balance - beginning	101,930
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, 2020

	Prior Period	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:				
State sources - ROD grant	\$ 423,036		\$ 423,036	\$ 423,036
Total revenues	423,036		423,036	423,036
Expenditures and other financing uses:				
Purchased professional and technical services	8,551		8,551	84,607
Construction services	312,555		312,555	338,429
Total expenditures	321,106		321,106	423,036
Excess (deficiency) of revenues over (under) expenses	\$ 101,930		\$ 101,930	
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			9/30/2020	

PROPRIETARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2020

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
ASSETS					
Cash and cash equivalents	\$ 95,985	\$ 74,093	\$ 18,300	\$ 94,801	\$ 283,179
Receivables, net	20,101				20,101
Inventory	7,922				7,922
Capital assets, net	431				431
Total assets	<u>124,439</u>	<u>74,093</u>	<u>18,300</u>	<u>94,801</u>	<u>311,633</u>
LIABILITIES					
Accounts payable	62,835	9,750			72,585
Total liabilities	<u>62,835</u>	<u>9,750</u>			<u>72,585</u>
NET POSITION					
Investment in capital assets, net of related debt Unrestricted	431 61,173	64,343	18,300	94,801	431 238,617
Total net position	<u>\$ 61,604</u>	<u>\$ 64,343</u>	<u>\$ 18,300</u>	<u>\$ 94,801</u>	<u>\$ 239,048</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, 2020

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
Operating revenues:					
Charges for services:					
Daily sales - reimbursable programs	\$ 102,098				\$ 102,098
Daily sales - non-reimbursable programs	133,908				133,908
Other Income	28				28
Services provided to other entities		\$ 683,244	\$ 238,807	\$ 67,000	989,051
Total operating revenue	<u>236,034</u>	<u>683,244</u>	<u>238,807</u>	<u>67,000</u>	<u>1,225,085</u>
Operating expenses					
Cost of sales - non-reimbursable programs	340,277				340,277
Salaries	208,766	643,184	226,910	57,195	1,136,055
Employee benefits	83,062	118,573		5,773	207,408
Other purchased services		9,992	1,699	529	12,220
Operations and maintenance	3,962				3,962
Supplies and materials	366	13,701	743		14,810
Miscellaneous expenditures	6,083	1,496	337		7,916
Depreciation	861			730	1,591
Total operating expenses	<u>643,377</u>	<u>786,946</u>	<u>229,689</u>	<u>64,227</u>	<u>1,724,239</u>
Operating income (loss)	<u>(407,343)</u>	<u>(103,702)</u>	<u>9,118</u>	<u>2,773</u>	<u>(499,154)</u>
Non-operating revenues (expenses):					
Interest earned	423				423
State sources:					
State school lunch program	5,465				5,465
Federal sources:					
School breakfast program	120,232				120,232
National school lunch program	256,912				256,912
After school snack program	2,120				2,120
Food distribution program commodities	33,287				33,287
Total non-operating revenues (expenses)	<u>418,439</u>				<u>418,439</u>
Change in net position	11,096	(103,702)	9,118	2,773	(80,715)
Total net position - beginning	50,508	168,045	9,182	92,028	319,763
Total net position - ending	<u>\$ 61,604</u>	<u>\$ 64,343</u>	<u>\$ 18,300</u>	<u>\$ 94,801</u>	<u>\$ 239,048</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Food Service Fund	Child Study Team	Business Services	Chief School Administrator Services	Total Enterprise Fund
Cash flows from operating activities:					
Receipts from customers	\$ 273,637	\$ 683,244	\$ 238,807	\$ 67,000	\$ 1,262,688
Payments to employees	(208,766)	(643,184)	(226,910)	(57,195)	(1,136,055)
Payments for employee benefits	(83,062)	(118,573)		(5,773)	(207,408)
Payments to suppliers	(297,253)	(25,355)	(3,277)	(1,259)	(327,144)
Net cash provided by (used for) operating activities	<u>(315,444)</u>	<u>(103,868)</u>	<u>8,620</u>	<u>2,773</u>	<u>(407,919)</u>
Cash flows from non-capital financing activities:					
State sources	5,542				5,542
Federal sources	376,145				376,145
Net cash provided by non-capital financing activities	<u>381,687</u>				<u>381,687</u>
Cash flows from investing activities					
Interest earned	423				423
Net cash provided by investing activities	<u>423</u>				<u>423</u>
Net increase (decrease) in cash and cash equivalents	66,666	(103,868)	8,620	2,773	(25,809)
Balance - beginning of year	29,319	177,961	9,680	92,028	308,988
Balance - end of year	<u>\$ 95,985</u>	<u>\$ 74,093</u>	<u>\$ 18,300</u>	<u>\$ 94,801</u>	<u>\$ 283,179</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (407,343)	\$ (103,702)	\$ 9,118	\$ 2,773	\$ (499,154)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	861				861
Food distribution program	33,287				33,287
(Increase) decrease in accounts receivable	47,252				47,252
(Increase) decrease in inventory	2,300				2,300
Increase (decrease) in accounts payable	8,199	(166)	(498)		7,535
Net cash provided by (used for) operating activities	<u>\$ (315,444)</u>	<u>\$ (103,868)</u>	<u>\$ 8,620</u>	<u>\$ 2,773</u>	<u>\$ (407,919)</u>

FIDUCIARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust		Agency		Total 2020
	Unemployment Compensation	Private Purpose	Student Activity	Payroll	
ASSETS					
Cash and cash equivalents	\$ 52,863	\$ 7,983	\$ 409,371	\$ 154,546	\$ 624,763
Interfund receivable	6,272				6,272
Total assets	<u>\$ 59,135</u>	<u>\$ 7,983</u>	<u>\$ 409,371</u>	<u>\$ 154,546</u>	<u>631,035</u>
LIABILITIES					
Payroll deductions and withholdings				\$ 148,274	148,274
Due to student groups			\$ 409,371		409,371
Interfund payable				6,272	6,272
Total liabilities			<u>\$ 409,371</u>	<u>\$ 154,546</u>	<u>563,917</u>
NET POSITION					
Held in trust for unemployment claims	\$ 59,135				59,135
Reserved for scholarships		\$ 7,983			7,983
Total net position	<u>\$ 59,135</u>	<u>\$ 7,983</u>			<u>\$ 67,118</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation	Private Purpose	Total 2020
ADDITIONS:			
Contributions	\$ 9,717		\$ 9,717
Interest earned	130	\$ 212	342
Total additions	<u>9,847</u>	<u>212</u>	<u>10,059</u>
DEDUCTIONS:			
Unemployment claims	16,412		16,412
Scholarships		3,000	3,000
Total deductions	<u>16,412</u>	<u>3,000</u>	<u>19,412</u>
Change in net position	(6,565)	(2,788)	(9,353)
Net position - beginning	65,700	10,771	76,471
Net position - end	<u>\$ 59,135</u>	<u>\$ 7,983</u>	<u>\$ 67,118</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
ACTIVITIES:				
Gateway Regional	\$ 285,786	\$ 446,320	\$ 322,735	\$ 409,371

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS				
Cash and cash equivalents	\$ 154,622	\$ 14,527,579	\$ 14,527,655	\$ 154,546
Total assets	<u>\$ 154,622</u>	<u>\$ 14,527,579</u>	<u>\$ 14,527,655</u>	<u>\$ 154,546</u>
LIABILITIES				
Net pay		\$ 8,070,365	\$ 8,070,365	
Payroll deductions and withholdings	\$ 127,238	6,449,837	6,428,801	\$ 148,274
Interfund payable				
General fund		1,105	1,105	
Unemployment trust	27,384	6,272	27,384	6,272
Total liabilities	<u>\$ 154,622</u>	<u>\$ 14,527,579</u>	<u>\$ 14,527,655</u>	<u>\$ 154,546</u>

LONG-TERM DEBT

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
Refunding School Bonds, Series 2012	5/13/12	\$ 6,275,000	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%	\$ 4,340,000	\$ 420,000	\$ 3,920,000
								<u>\$ 4,340,000</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2020

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Principal</u>	<u>Interest</u>				
School buses	9/29/17	5 Years	\$ 256,862	\$ 9,708	1.89%	\$ 154,081	\$ 50,402	\$ 103,679

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 582,888		\$ 582,888	\$ 582,887	\$ (1)
Total revenues	<u>582,888</u>		<u>582,888</u>	<u>582,887</u>	<u>(1)</u>
EXPENDITURES:					
Regular debt service:					
Interest	162,888		162,888	162,888	
Redemption of principal	420,000		420,000	420,000	
Total expenditures	<u>582,888</u>		<u>582,888</u>	<u>582,888</u>	
Excess (deficiency) of revenue over (under) expenditures				(1)	(1)
Fund balance, July 1				2	2
Fund balance, June 30				<u>\$ 1</u>	<u>\$ 1</u>

**STATISTICAL SECTION
(Unaudited)**

**Gateway Regional High School District
Statistical Section**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	112-117
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	118/125
Debt Capacity 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.	126-132
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	133-135
Operating Information 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.	136-140

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

	Fiscal Year Ending June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 10,288,712	\$ 10,082,430	\$ 9,910,437	\$ 9,928,469	\$ 9,678,422	\$ 9,667,272	\$ 9,875,658	\$ 9,988,984	\$ 9,808,913	\$ 10,291,051
Restricted	1,639,229	2,679,114	3,035,257	3,105,499	3,145,944	3,760,309	4,192,244	4,534,283	5,108,837	5,072,089
Unrestricted	(681,102)	(584,397)	(831,752)	(871,557)	(6,483,150)	(6,755,886)	(7,882,764)	(68,621,299)	(8,732,927)	(9,070,985)
Total governmental activities net position	<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>	<u>\$ (54,098,032)</u>	<u>\$ 6,184,823</u>	<u>\$ 6,292,155</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 47,908	\$ 39,291	\$ 30,702	\$ 22,733	\$ 15,400	\$ 12,566	\$ 3,015	\$ 2,153	\$ 1,292	\$ 431
Unrestricted	96,122	87,968	149,740	177,820	173,090	207,363	304,165	308,921	318,471	238,617
Total business-type activities net position	<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>	<u>\$ 311,074</u>	<u>\$ 319,763</u>	<u>\$ 239,048</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 10,336,620	\$ 10,121,721	\$ 9,941,139	\$ 9,951,202	\$ 9,693,822	\$ 9,679,838	\$ 9,878,673	\$ 9,991,137	\$ 9,810,205	\$ 10,291,482
Restricted	1,639,229	2,679,114	3,035,257	3,105,499	3,145,944	3,760,309	4,192,244	4,534,283	5,108,837	5,072,089
Unrestricted	(584,980)	(496,429)	(682,012)	(693,737)	(6,310,060)	(6,548,523)	(7,578,599)	(68,312,378)	(8,414,456)	(8,832,368)
Total district-wide net position	<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>	<u>\$ (53,786,958)</u>	<u>\$ 6,504,586</u>	<u>\$ 6,531,203</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 5,410,739	\$ 5,542,377	\$ 5,469,950	\$ 5,269,382	\$ 5,537,714	\$ 5,520,080	\$ 5,635,366	\$ 5,756,271	\$ 5,615,312	\$ 5,709,393
Special education	1,111,749	1,175,624	1,560,121	1,567,448	1,807,084	1,750,519	1,822,641	1,963,949	2,282,890	2,305,747
Other special instruction	289,413	210,324	221,101	212,750	221,276	234,488	220,669	223,119	218,793	220,760
Other instruction	568,644	586,662	602,544	644,010	656,434	647,136	675,442	629,308	652,419	680,388
Support services:										
Tuition	1,178,737	918,211	1,106,724	1,291,133	1,333,312	1,280,647	1,068,957	1,048,428	1,016,907	1,184,975
Student & instruction related services	2,085,929	2,161,401	2,296,122	2,478,507	2,611,198	2,616,618	2,625,875	2,706,156	2,798,925	2,968,988
School administrative services	449,881	458,842	394,566	405,517	395,346	405,275	423,278	452,445	407,759	457,696
General and business administrative services	673,057	602,198	707,759	712,571	687,307	737,587	728,963	755,093	785,207	859,192
Plant operations and maintenance	1,416,703	1,431,505	1,452,207	1,603,274	1,507,795	1,454,688	1,515,158	1,597,215	1,761,319	1,757,119
Pupil transportation	1,302,595	1,447,177	1,474,172	1,477,332	1,466,549	1,468,449	1,496,763	1,502,102	1,526,917	1,441,970
Employee benefits	3,331,965	3,622,456	4,192,442	4,264,262	4,617,551	5,337,211	6,632,504	9,035,771	8,330,096	6,845,902
Transfer to charter school										18,556
Interest on long-term debt	293,727	225,717	200,523	126,155	109,576	207,838	201,688	190,588	178,887	17,987
Capital outlay			186,903	235,038	222,837	334,701	28,067	85,798	106,941	162,888
Amortization of bond issuance costs	2,305	2,502								
Total governmental activities expenses	18,115,444	18,384,996	19,865,134	20,287,379	21,173,979	21,995,237	23,075,371	25,946,243	25,682,372	24,631,561
Business-type activities:										
Food service	677,374	734,613	705,123	752,797	822,659	793,660	861,369	856,234	835,429	643,377
Child study team	641,418	683,029	685,861	726,137	733,364	704,043	735,672	743,618	815,954	786,946
Business services	170,841	190,054	200,375	195,071	197,476	195,012	205,921	204,343	221,974	229,689
Chief school administrator services	106,734	71,967	55,865	51,866	56,627	58,351	60,051	62,275	60,796	64,227
Total business-type activities expense	1,596,367	1,679,663	1,647,224	1,725,871	1,810,126	1,751,066	1,863,013	1,866,470	1,934,153	1,724,239
Total district expenses	\$ 19,711,811	\$ 20,064,659	\$ 21,512,358	\$ 22,013,250	\$ 22,984,105	\$ 23,746,303	\$ 24,938,384	\$ 27,812,713	\$ 27,616,525	\$ 26,355,800
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Pupil transportation	\$ 1,064,193	\$ 1,193,026								
Operating grants and contributions	1,608,393	1,766,640	\$ 422,755	\$ 468,416	\$ 610,881	\$ 512,440	\$ 481,086	\$ 465,791	\$ 624,436	\$ 601,645
Total governmental activities program revenues	2,672,586	2,959,666	422,755	468,416	610,881	512,440	481,086	465,791	624,436	601,645

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

	Fiscal Year Ending June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Food service	382,810	381,686	394,822	399,861	368,619	375,002	389,964	395,921	379,930	236,034
Child study team	615,489	683,929	712,116	712,197	725,171	696,367	817,483	767,441	848,078	683,244
Business services	177,475	181,026	185,560	192,060	197,830	205,400	206,100	211,270	228,525	238,807
Chief school administrator	115,042	82,250	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Operating grants and contributions	291,669	330,624	340,107	376,592	438,762	438,062	469,016	428,096	418,592	418,016
Total business type activities program revenues	1,582,485	1,659,515	1,699,605	1,747,710	1,797,382	1,781,831	1,949,563	1,869,728	1,942,125	1,643,101
Total district program revenues	\$ 4,255,071	\$ 4,619,181	\$ 2,122,360	\$ 2,216,126	\$ 2,408,263	\$ 2,294,271	\$ 2,430,649	\$ 2,335,519	\$ 2,566,561	\$ 2,244,746
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (15,442,858)	\$ (15,425,330)	\$ (19,442,379)	\$ (19,818,963)	\$ (20,563,098)	\$ (21,482,797)	\$ (22,594,285)	\$ (25,480,452)	\$ (25,057,936)	\$ (24,029,916)
Business-type activities	(13,882)	(20,148)	52,381	21,839	(12,744)	30,765	86,550	3,258	7,972	(81,138)
Total district-wide net expense	\$ (15,456,740)	\$ (15,445,478)	\$ (19,389,998)	\$ (19,797,124)	\$ (20,575,842)	\$ (21,452,032)	\$ (22,507,735)	\$ (25,477,194)	\$ (25,049,964)	\$ (24,111,054)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,764,558	\$ 8,890,249	\$ 9,023,605	\$ 9,204,077	\$ 9,388,159	\$ 9,849,922	\$ 10,311,042	\$ 10,667,263	\$ 10,880,608	\$ 11,098,220
Taxes levied for debt service	577,225	581,725	570,128	565,038	567,839	567,838	571,688	565,446	578,889	582,887
Unrestricted grants and contributions	6,467,153	7,016,136	8,617,306	8,869,396	9,157,806	9,967,851	9,856,232	10,329,682	12,785,854	11,376,057
Transportation fees			1,120,850	1,160,762	1,091,460	1,174,765	1,173,957	1,096,815	1,152,475	1,013,517
Tuition received	43,978	64,230	38,900	32,319	135,626	186,710	32,999	147,060	155,820	129,210
Investment earnings			28,058	16,108	15,373	15,800	16,166	16,272	19,552	21,190
Miscellaneous income	86,507	130,491	40,282	20,805	65,407	50,956	173,510	51,277	23,133	36,114
Cancellation of prior year receivables/payables	(12,400)		13,697	(1,073)		(566)	(27,866)		(11,905)	(119,947)
Prior year issuance costs/accrued interest payable			(62,434)							
Prior year capital asset transactions			(11,217)							
Purchase (sale) of capital assets	(253,879)	(324,943)								
Gain/(loss) on disposal of capital assets		(2,250)								
Total governmental activities	15,673,142	16,355,638	19,379,175	19,867,432	20,421,670	21,813,276	22,107,728	22,873,815	25,584,426	24,137,248
Business-type activities:										
Investment earnings	726	1,031	884	782	681	674	701	636	717	423
Miscellaneous income	4,047	2,495								
Cancellation of prior year receivables/payables	(7,643)	(150)	(83)	(2,510)						
Total business-type activities	(2,870)	3,376	801	(1,728)	681	674	701	636	717	423
Total district-wide	\$ 15,670,272	\$ 16,359,014	\$ 19,379,976	\$ 19,865,704	\$ 20,422,351	\$ 21,813,950	\$ 22,108,429	\$ 22,874,451	\$ 25,585,143	\$ 24,137,671
CHANGES IN NET POSITION:										
Governmental activities	\$ 230,284	\$ 930,308	\$ (63,204)	\$ 48,469	\$ (141,428)	\$ 330,479	\$ (486,557)	\$ (2,606,637)	\$ 526,490	\$ 107,332
Business-type activities	(16,752)	(16,772)	53,182	20,111	(12,063)	31,439	87,251	3,894	8,689	(80,715)
Total district	\$ 213,532	\$ 913,536	\$ (10,022)	\$ 68,580	\$ (153,491)	\$ 361,918	\$ (399,306)	\$ (2,602,743)	\$ 535,179	\$ 26,617

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 1,471,635	\$ 2,432,857	\$ 2,755,328	\$ 2,586,994	\$ 2,965,796	\$ 3,334,707	\$ 4,072,280	\$ 4,376,520	\$ 4,736,599	\$ 4,667,947
Assigned	139,412	217,920	253,440	492,015	153,646	59,264	2,892	44,457	258,845	291,414
Unrestricted	(209,411)	(245,179)	(256,546)	(286,702)	(265,439)	(242,467)	(256,361)	(256,738)	(256,632)	(297,475)
Total general fund	<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>	<u>\$ 4,164,239</u>	<u>\$ 4,738,812</u>	<u>\$ 4,661,886</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 15,535	\$ 15,535				\$ 339,855	\$ 101,930	\$ 101,930	\$ 101,930	\$ 101,930
Debt service fund			\$ 15,140	\$ 15,140	\$ 15,142	15,142	15,142		2	1
Permanent fund	1,298	1,444	552	553	563	544	567	579	666	792
Nonspendable, reported in										
Permanent fund	11,349	11,357	10,797	10,797	10,797	10,797	10,797	10,797	10,797	10,797
Total all other governmental funds	<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>	<u>\$ 113,306</u>	<u>\$ 113,395</u>	<u>\$ 113,520</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Tax levy	\$ 9,341,783	\$ 9,471,974	\$ 9,593,733	\$ 9,769,115	\$ 9,955,998	\$ 10,417,760	\$ 10,882,730	\$ 11,232,709	\$ 11,459,497	\$ 11,681,107
Tuition charges	43,978	64,230	38,900	32,319	135,626	186,710	32,999	147,060	155,820	129,210
Transportation fees	1,064,193	1,193,026	1,120,850	1,160,762	1,091,460	1,174,765	1,173,957	1,096,815	1,152,475	1,013,517
Miscellaneous	86,507	130,491	68,340	36,913	80,780	68,685	189,676	67,549	42,685	57,304
State sources	7,582,665	8,131,195	8,656,302	8,907,627	9,200,431	10,004,359	9,896,092	10,369,332	11,185,901	11,490,116
Federal sources	492,880	651,580	383,759	430,185	568,256	474,003	441,226	426,141	577,238	487,586
Total revenue	18,612,006	19,642,496	19,861,884	20,336,921	21,032,551	22,326,282	22,616,680	23,339,606	24,573,616	24,858,840
EXPENDITURES:										
Instruction:										
Regular instruction	4,967,366	5,075,850	4,873,532	4,800,278	5,103,280	5,016,645	5,232,423	5,312,714	5,242,325	5,098,763
Special education instruction	1,111,749	1,175,624	1,560,121	1,567,448	1,807,084	1,750,519	1,822,641	1,963,949	2,282,890	2,305,747
Other special instruction	289,413	210,324	22,101	212,750	221,276	234,488	220,669	223,119	218,793	220,760
Other instruction	568,644	586,662	602,544	644,010	656,434	647,136	675,442	629,308	652,419	680,388
Support services:										
Tuition	1,178,737	918,211	1,106,724	1,291,133	1,333,312	1,280,647	1,068,957	1,048,428	1,016,907	1,184,975
Student & instruction related services	1,997,255	2,068,096	2,205,201	2,386,313	2,520,172	2,522,726	2,539,432	2,618,092	2,708,980	2,878,434
School administrative services	369,267	374,019	372,055	402,390	424,329	432,049	331,853	451,798	448,415	456,673
Other administrative service	673,057	602,198	625,104	628,759	604,556	632,766	734,020	675,035	703,439	776,870
Plant operations and maintenance	1,352,212	1,363,647	1,386,083	1,536,224	1,441,594	1,386,403	1,452,290	1,533,169	1,695,905	1,691,261
Pupil transportation	1,173,614	1,311,460	1,341,925	1,343,232	1,334,148	1,331,879	1,423,675	1,614,427	1,445,555	1,310,255
Employee benefits	3,453,894	3,708,742	4,186,216	4,263,363	4,614,783	5,143,837	5,598,100	6,005,842	6,647,984	6,657,124
Capital outlay	340,087	857,306	482,675	651,824	342,038	837,115	652,300	609,701	344,550	953,000
Debt service:										
Principal	280,000	295,000	370,000	330,000	345,000	360,000	370,000	390,000	400,000	420,000
Interest and other charges	297,225	286,725	200,523	235,038	222,837	207,838	201,688	190,588	178,887	162,888
Total expenditures	18,052,520	18,833,864	19,334,804	20,292,762	20,970,843	21,784,048	22,323,490	23,266,170	23,987,049	24,797,138
Excess (deficiency) of revenues over (under) expenditures	559,486	808,632	527,080	44,159	61,708	542,234	293,190	73,436	586,567	61,702
OTHER FINANCING SOURCES (USES):										
Capital leases (non-budgeted)		195,481				95,669	164,081	256,862		
Transfer to charter school										(18,556)
Cancellation of prior year receivables/payables	(12,400)		13,697	(1,073)		(566)	(27,866)		(11,905)	(119,947)
Total other financing sources (uses)	(12,400)	195,481	13,697	(1,073)		95,103	136,215	256,862	(11,905)	(138,503)
Net change in fund balances	\$ 547,086	\$ 1,004,113	\$ 540,777	\$ 43,086	\$ 61,708	\$ 637,337	\$ 429,405	\$ 330,298	\$ 574,662	\$ (76,801)
Debt service as a percentage of noncapital expenditures	3.3%	3.2%	3.0%	2.9%	2.8%	2.7%	2.6%	2.6%	2.4%	2.4%

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Refunds of prior year expenses		\$ 5,762			\$ 16,127	\$ 37,513	\$ 18,894	\$ 8,072		
Advisor stipend										
Use of facilities fees	\$ 500	4,385	\$ 12,875	\$ 3,225	1,388	3,800		275	\$ 2,750	
State of NJ SL - Other		355								
Seminar/class fees		2,250								
Sale of obsolete equipment		9,903			13,088	7,011			4,771	
Homeless tuition										\$ 129,210
Tuition refunds	37,870	66,070	38,900	32,319	135,626	186,710	124,453	23,129		
COBRA reimbursement		1,164								
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	20,261	24,221	27,261	15,358	15,373	14,129	13,000	15,884	16,162	21,064
Bond refinancing		3,470								
Miscellaneous	8,793	6,198	27,320	17,531	18,343	1,079	30,086	19,801	15,612	33,630
Insurance claims					13,088					
	<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>	<u>\$ 67,161</u>	<u>\$ 39,295</u>	<u>\$ 183,904</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 ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2018	2,194,300	148,823,300			5,993,100	166,300	709,100	157,886,100	355,082	158,241,182	158,666,764	1.316
2019	2,263,500	148,945,300			6,043,100	166,300	709,100	158,127,300	354,579	158,481,879	159,128,593	1.434
2020	2,219,600	148,806,100			6,800,100	166,300	709,100	158,701,200	342,774	159,043,974	159,179,774	1.449

WENONAH

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2018	761,300	215,293,900			5,567,800			221,623,000		221,623,000	217,844,434	1.332
2019	663,000	213,807,300			5,540,500			220,010,800		220,010,800	221,590,713	1.336
2020	643,900	211,490,900			6,065,500			218,200,300		218,200,300	221,036,535	1.376

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 ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2018	2,153,200	174,573,300			21,801,900	24,669,200	10,074,900	233,272,500	208,848	233,481,348	253,869,778	1.228
2019	2,225,600	173,496,300			21,289,100	24,290,800	10,074,900	231,376,700	214,347	231,591,047	247,305,671	1.198
2020	2,673,300	173,947,400			21,145,500	24,116,200	10,074,900	231,957,300	229,833	232,187,133	232,167,133	1.219

WOODBURY HEIGHTS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2018	5,444,500	191,444,300			46,643,200	6,911,100	300,000	250,743,100	647,817	251,390,917	262,878,676	1.375
2019	5,296,400	190,323,800			46,682,500	6,911,100	300,000	249,513,800	648,620	250,162,420	264,955,862	1.115
2020	5,274,500	190,501,700			47,610,300	6,776,100	300,000	250,462,600	(444,779)	250,017,821	269,566,870	1.138

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	
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
2018	1.285	0.123	1.408	1.316	0.905	0.732	4.361
2019	1.315	0.119	1.434	1.294	0.916	0.735	4.379
2020	1.329	1.200	1.449	1.346	0.932	0.773	4.500

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	
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
2018	1.209	0.088	1.297	1.332	0.817	0.628	4.074
2019	1.245	0.091	1.336	1.381	0.739	0.689	4.145
2020	1.287	0.089	1.376	1.429	0.701	0.707	4.213

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	
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
2018	1.062		1.062	1.228	1.323	0.742	4.355
2019	1.198		1.198	1.278	1.318	0.765	4.559
2020	1.219		1.219	1.317	1.374	0.718	4.662

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	
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	1.320	1.158	0.750	4.298
2018	1.067	0.011	1.078	1.375	1.179	0.758	4.390
2019	1.101	0.014	1.115	1.418	1.210	0.774	4.517
2020	1.125	0.013	1.138	1.424	1.230	0.801	4.593

Source: Respective School District's CAFR's

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

NATIONAL PARK

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
618 Hessian LLC	1,046,000	1	0.66%			
Individual Taxpayer 1	599,500	2	0.38%	659,000	2	0.37%
Individual Taxpayer 2	579,000	3	0.36%	615,400	3	0.34%
Individual Taxpayer 3	527,700	4	0.33%	502,400	5	0.28%
The Bank	493,800	5	0.31%	592,200	4	0.33%
Individual Taxpayer 4	421,500	6	0.26%	501,100	6	0.28%
VRH NP LLC	380,600	7	0.24%			
PSE&G Power LLC	373,800	8	0.23%	1,054,500	1	0.59%
Individual Taxpayer 5	360,400	9	0.23%	500,500	7	0.28%
Individual Taxpayer 6	351,600	10	0.22%	497,400	8	0.28%
Individual Taxpayer 7				489,700	9	0.27%
Individual Taxpayer 8				480,700	10	0.27%
Total	5,133,900		2.57%	\$ 5,892,900		3.30%

WENONAH

Taxpayer	2020			2011		
	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%			
Individual Taxpayer 1	850,000	2	0.38%			
Individual Taxpayer 2	834,800	3	0.38%			
Individual Taxpayer 3	675,700	4	0.31%			
Individual Taxpayer 4	668,700	5	0.30%			Not Available
Individual Taxpayer 5	663,700	6	0.30%			
Individual Taxpayer 6	646,800	7	0.29%			
Individual Taxpayer 7	600,200	8	0.27%			
Individual Taxpayer 8	590,400	9	0.27%			
Individual Taxpayer 9	585,200	10	0.26%			
Total	7,676,400		3.41%			

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

WESTVILLE

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Sunoco Inc.	6,153,700	1	2.49%	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	6	0.81%
Woodbine Norse LLC	2,150,100	4	0.87%	1,300,000	5	0.84%
Westville Norse LLC	2,013,500	5	0.81%			
Arber Properties LLC	2,000,000	6	0.81%	1,110,000	7	0.78%
RAAB Family Partnership LP	1,659,500	7	0.67%	1,094,800	9	0.01%
FRZ Commercial Real Estate LLC	1,570,500	8	0.64%			
Individual Taxpayer 1	1,453,000	9	0.59%			
Brown's Westville LLC	1,422,000	10	0.57%			
AMC Delancy I-295 Partners LP				2,595,400	1	1.61%
Journey LLC				1,724,300	3	1.07%
Wells, Michael, and Vixories				1,102,300	8	0.73%
MV Holdings LLC				991,400	10	0.68%
Total	23,701,600		9.91%	14,804,000		9.47%

WOODBURY HEIGHTS

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Woodbury Heights Development Inc.						
Oak Valley Plaza Inc.	11,658,000	1	4.66%			
WaWa Inc.	2,555,500	2	1.02%			
Phalines & Gligor LLC	2,200,000	3	0.88%			
HCD Realty LLC	2,112,000	4	0.84%			
Woodbury Heights Development Inc.	1,755,000	5	0.70%			
Balducci Inc.	1,710,000	6	0.68%			Not Available
Genius One LLC	1,557,600	7	0.62%			
Heights Plaza LLC	1,362,500	8	0.54%			
Jonathan Advisors Ltd. Partnership	1,341,800	9	0.54%			
American Paper Box LLC	1,322,400	10	0.53%			
Total	27,575,000		11.02%			

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	
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	2,088,593	2,088,593	100.00%	
2017	2,126,782	2,126,782	100.00%	
2018	2,161,615	2,161,615	100.00%	
2019	2,227,952	2,227,952	100.00%	
2020	2,271,536	2,271,536	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	
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	2,742,290	2,742,290	100.00%	
2017	2,788,604	2,788,604	100.00%	
2018	2,845,937	2,845,937	100.00%	
2019	2,900,660	2,900,660	100.00%	
2020	2,974,184	2,974,184	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	
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%	
2016	2,780,610	2,780,610	100.00%	
2017	2,639,586	2,639,586	100.00%	
2018	2,692,378	2,692,378	100.00%	
2019	2,746,225	2,746,225	100.00%	
2020	2,801,150	2,801,150	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	
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	2,567,984	2,567,984	100.00%	
2017	2,653,644	2,653,644	100.00%	
2018	2,675,946	2,675,946	100.00%	
2019	2,762,882	2,762,882	100.00%	
2020	2,816,498	2,816,498	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			
2011	\$ 3,081,450			\$ 3,081,450	2.32%	1,017
2012	2,871,450			2,871,450	2.12%	953
2013	2,651,450			2,651,450	1.93%	884
2014	2,426,450			2,426,450	1.71%	811
2015	2,201,450			2,201,450	1.48%	737
2016	1,981,450			1,981,450	1.31%	667
2017	1,756,450			1,756,450	1.13%	593
2018	1,526,450			1,526,450	0.94%	517
2019	1,291,450			1,291,450	N/A	439
2020	1,046,450			1,046,450	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			
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			1,825,000	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	1.03%	543
2018	1,055,000			1,055,000	0.87%	475
2019	885,000			885,000	N/A	400
2020	715,000		62,225	777,225	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			
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	0.09%	45
2016	None			None	N/A	N/A
2017	None			None	N/A	N/A
2018	None			None	N/A	N/A
2019	None			None	N/A	N/A
2020	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			
2011	\$ 377,516			\$ 377,516	0.28%	124
2012	357,516		\$ 21,278	378,794	0.28%	125
2013	337,516		14,643	352,159	0.26%	117
2014	317,516		7,561	325,077	0.23%	108
2015	297,516			297,516	0.20%	99
2016	277,516			277,516	0.18%	92
2017	257,516			257,516	0.16%	86
2018	232,516			232,516	0.14%	78
2019	207,516			207,516	N/A	70
2020	182,516			182,516	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			
2011	\$ 3,081,450		\$ 3,081,450	1.72%	1,017
2012	2,871,450		2,871,450	1.61%	953
2013	2,651,450		2,651,450	1.49%	884
2014	2,426,450		2,426,450	1.53%	811
2015	2,201,450		2,201,450	1.38%	737
2016	1,981,450		1,981,450	1.25%	667
2017	1,756,450		1,756,450	1.11%	593
2018	1,526,450		1,526,450	0.96%	517
2019	1,291,450		1,291,450	0.81%	439
2020	1,046,450		1,046,450	0.66%	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			
2011	\$ 2,001,000		\$ 2,001,000	0.68%	898
2012	1,881,000		1,881,000	0.64%	827
2013	1,825,000		1,825,000	0.70%	804
2014	1,680,000		1,680,000	0.66%	743
2015	1,530,000		1,530,000	0.60%	678
2016	1,375,000		1,375,000	0.61%	610
2017	1,220,000		1,220,000	0.54%	543
2018	1,055,000		1,055,000	0.47%	475
2019	885,000		885,000	0.40%	400
2020	715,000		715,000	0.32%	N/A

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

WESTVILLE

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			
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
2018	None		None	0.00%	N/A
2019	None		None	0.00%	N/A
2020	None		None	0.00%	N/A

WOODBURY HEIGHTS

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			
2011	\$ 377,516		\$ 377,516	0.19%	123
2012	357,516		357,516	0.18%	118
2013	337,516		337,516	0.13%	112
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%	86
2018	232,516		232,516	0.09%	78
2019	207,516		207,516	0.08%	70
2020	182,516		182,516	0.07%	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, 2019

Governmental Unit - National Park	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
National Park Borough	\$ 4,550,352	100.00%	\$ 4,550,352
Gateway Regional High School	4,340,000	17.93%	778,000
Gloucester County	227,739,500	0.60%	1,367,497
Subtotal, overlapping debt			6,695,849
National Park District direct debt			1,046,450
Total direct and overlapping debt			\$ 7,742,299

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, 2019

Governmental Unit - Wenonah	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Wenonah Borough	\$ 1,471,232	100.00%	\$ 1,471,232
Gateway Regional High School	4,340,000	24.80%	1,076,462
Gloucester County	227,739,500	0.82%	1,885,596
Subtotal, overlapping debt			4,433,290
Wenonah District direct debt			715,000
Total direct and overlapping debt			\$ 5,148,290

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, 2019

Governmental Unit - Westville	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Westville Borough	\$ 3,490,292	100.00%	\$ 3,490,292
Gateway Regional High School	4,340,000	27.59%	197,513
Gloucester County	233,148,333	0.88%	<u>2,002,953</u>
Subtotal, overlapping debt			5,690,758
Westville District direct debt			<u>None</u>
Total direct and overlapping debt			<u><u>\$ 5,690,758</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, 2019

Governmental Unit - Woodbury Heights	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Woodbury Heights Borough	\$ 3,591,650	100.00%	\$ 3,591,650
Gateway Regional High School	4,340,000	29.68%	1,288,024
Gloucester County	228,721,966	0.94%	<u>2,149,986</u>
Subtotal, overlapping debt			7,029,660
Woodbury Heights District direct debt			<u>182,516</u>
Total direct and overlapping debt			<u><u>\$ 7,212,176</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
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation

		Equalized Valuation Basis				
		National Park	Wenonah	Westville	Woodbury Heights	Combined
2017	\$	158,396,875	\$ 219,436,235	\$ 254,833,893	\$ 263,385,665	\$ 896,052,668
2018		158,377,069	223,117,890	247,977,570	264,608,590	894,081,119
2019		164,083,532	222,773,188	237,333,778	268,092,618	892,283,116
	\$	<u>480,857,476</u>	<u>\$ 665,327,313</u>	<u>\$ 740,145,241</u>	<u>\$ 796,086,873</u>	<u>\$ 2,682,416,903</u>
Average equalized valuation of taxable property		\$ 160,285,825	\$ 221,775,771	\$ 246,715,080	\$ 265,362,291	\$ 894,138,968
Debt limit (3% of average equalized valuation)						^a 26,824,169
Net bonded school debt						4,340,000
Legal debt margin						<u>\$ 22,484,169</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 23,878,666	\$ 25,678,487	\$ 29,617,517	\$ 28,264,500	\$ 27,546,777	\$ 27,078,535	\$ 6,653,273	\$ 26,718,018	\$ 26,806,886	\$ 26,824,169
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>	<u>4,740,000</u>	<u>4,340,000</u>	<u>3,920,000</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>\$ 1,523,273</u>	<u>\$ 21,978,018</u>	<u>\$ 22,466,886</u>	<u>\$ 22,904,169</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%	77.10%	17.74%	16.19%	14.61%

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 ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	3,034	132,686,730	43,791	11.5%
2012	3,014	135,449,160	44,940	11.8%
2013	3,000	137,700,000	45,900	12.6%
2014	2,993	141,844,256	47,392	9.3%
2015	2,988	148,399,020	49,665	8.0%
2016	2,972	150,820,084	50,747	7.0%
2017	2,963	155,424,165	52,455	7.0%
2018	2,955	161,771,475	54,745	5.7%
2019	2,943	N/A	N/A	5.7%
2020	N/A	N/A	N/A	N/A

Wenonah

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	2,278	94,564,336	41,512	9.2%
2012	2,275	98,359,625	43,235	9.0%
2013	2,271	100,814,232	44,392	9.2%
2014	2,261	101,769,871	45,011	3.9%
2015	2,255	105,089,765	46,603	4.9%
2016	2,254	109,992,946	48,799	4.6%
2017	2,248	118,033,488	52,506	3.6%
2018	2,222	121,643,390	54,745	2.9%
2019	2,212	N/A	N/A	2.4%
2020	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 ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	4,274	185,863,438	43,487	11.3%
2012	4,257	189,619,551	44,543	10.9%
2013	4,240	192,322,160	45,359	13.2%
2014	4,229	197,282,850	46,650	9.4%
2015	4,221	206,761,464	48,984	7.8%
2016	4,203	210,175,218	50,006	7.4%
2017	4,194	220,210,164	52,506	6.0%
2018	4,163	227,903,435	54,745	5.7%
2019	4,144	N/A	N/A	5.1%
2020	N/A	N/A	N/A	N/A

Woodbury Heights

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	3,053	132,765,811	43,487	7.1%
2012	3,041	135,455,263	44,543	7.3%
2013	3,021	137,029,539	45,359	5.5%
2014	3,021	140,929,650	46,650	4.8%
2015	3,016	147,735,744	48,984	5.3%
2016	3,002	150,118,012	50,006	5.1%
2017	2,996	157,307,976	52,506	4.4%
2018	2,974	162,811,630	54,745	4.2%
2019	2,964	N/A	N/A	3.5%
2020	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	2020			2011		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Amazon	4,500	1	N/A			
Rowan University	3,500	2	N/A	1,300	4	N/A
Inspira Health	2,051	3	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Jefferson Health	2,015	4	N/A			
Kennedy Health Alliance				1,200	5	N/A
Washington Township School District	1,550	5	N/A	1,504	2	N/A
Shop Rite	1,300	6	N/A			
County of Gloucester	1,200	7	N/A	1,500	3	N/A
US Foodservices	1,014	8	N/A	800	7	N/A
Monroe Township School District	805	9	N/A	714	8	N/A
Walmart - Turnersville	800	10	N/A			
Missa Bay, LLC				950	6	N/A
Valero				640	9	N/A
Goodwin Pumps				640	10	N/A
	18,735			11,073		

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	71	68	68	67.5	66.5	66	66	66	66	66
Special education	11	13	14	16.5	16.5	18	18	19	19	19
Other special instruction	8	9	9	8	8	9	9	10	10	10
Support Services:										
Student & instruction related services	11	11	11	12	12	14	17	17	18	18
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	3	3	3	3	3	3	3	3	3	3
Other administrative services	4	4	4	4	4	4	4	4	4	4
Central services	1	1	1	1	1	1	1	1	1	1
Administrative information technology	3	3	3	3.5	4	4	4	4	4	4
Plant operations and maintenance	12	12	12	14	13	14	14.5	15	15	15
Pupil transportation	43	41	41	40	40	41	41	41	41	39
Other support services	21	14	13	14	14	14	14	14	15	16
Total	<u>190</u>	<u>181</u>	<u>181</u>	<u>185.5</u>	<u>184</u>	<u>190</u>	<u>193.5</u>	<u>196</u>	<u>198</u>	<u>197</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
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%
2018	894	22,075,881	24,693	9.07%	112	N/A	1:8	886	807	-5.54%	91.1%
2019	886	23,063,612	26,031	5.42%	113	N/A	1:8	910	858	2.71%	94.3%
2020	885	23,261,250	26,284	0.97%	113	N/A	1:8	921	884	1.21%	96.0%

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High School										
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	843	891	889	893	946	958	823	894	886	886
Other										
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, 2020

 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:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Totals
High School	N/A	\$ 152,512	\$ 147,100	\$ 170,266	\$ 203,942	\$ 182,510	\$ 229,773	\$ 261,326	\$ 235,808	\$ 316,061	\$ 268,878	\$ 2,168,176

Source: District records

Gateway Regional High School District
Insurance Schedule

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property - blanket building & contents	\$ 175,000,000	
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	100,000
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
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MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
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, 2020, 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 June 1, 2021.

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

June 1, 2021

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, 2020. 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, 2020.

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, 2020, and have issued our report thereon dated June 1, 2021, 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

June 1, 2021

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2020

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, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
General Fund:																
Medical Assistance Program	93.778	2005NJSMAP	N/A	\$ 24,281	7/1/19	6/30/20			\$ 23,223	\$ (24,281)					\$ (1,058)	\$ 24,281
Medical Assistance Program	93.778	1905NJSMP	N/A	32,795	7/1/18	6/30/19	(761)		761							32,795
Total General Fund							(761)		23,984	(24,281)				(1,058)		57,076
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010	S010A180030	NCLB171520	134,933	7/1/19	6/30/20				(134,933)				(134,933)		139,433
Title I, Part A	84.010	S010A180030	NCLB171519	147,572	7/1/18	6/30/19	(136,533)		136,533							136,533
Title I SIA	84.010	S010A170030	NCLB171520	54,951	7/1/19	6/30/20				(41,555)				(41,555)		41,555
Title I SIA	84.010	S010A170030	NCLB171519	91,853	7/1/18	6/30/19	(64,624)		64,624							64,624
Title I Reallocated	84.010	S010A180030	NCLB171520	17,663	7/1/19	6/30/20			1,748	(14,154)				(12,406)		14,154
Title I Reallocated	84.010	S010A180030	NCLB171519	28,256	7/1/18	6/30/19	(26,363)		26,363							26,363
Subtotal	84.010						(227,520)		229,268	(190,642)				(188,894)		
IDEA Part B, Basic Regular	84.027	H027A180100	FT171520	256,972	7/1/19	6/30/20			227,167	(251,176)				(24,009)		251,176
IDEA Part B, Basic Regular	84.027	H027A180100	FT171519	303,509	7/1/18	6/30/19	(29,987)		29,987							285,212
Subtotal	84.027						(29,987)		257,154	(251,176)				(24,009)		
Title II Part A	84.367	S367A170029	NCLB171520	31,626	7/1/19	6/30/20				(16,792)				(16,792)		16,792
Title II Part A	84.367	S367A170029	NCLB171519	30,595	7/1/18	6/30/19	(25,731)		25,731							25,731
Subtotal	84.367						(25,731)		25,731	(16,792)				(16,792)		
Title IV	84.424	S424A170031	NCLB171520	10,732	7/1/19	6/30/20				(5,245)				(5,245)		5,245
Title IV	84.424	S424A170031	NCLB171519	13,435	7/1/18	6/30/19	(12,703)		12,703							12,703
Subtotal							(12,703)		12,703	(5,245)				(5,245)		
Total Special Revenue Fund							(295,941)		524,856	(463,855)				(234,940)		1,019,521
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
School Breakfast Program	10.553	19161NJ304N1099	N/A	120,232	7/1/19	6/30/20			112,521	(120,232)				(7,711)		120,232
School Breakfast Program	10.553	19161NJ304N1099	N/A	107,477	7/1/18	6/30/19	(5,212)		5,212							107,477
Subtotal	10.553						(5,212)		117,733	(120,232)				(7,711)		
National School Lunch Program	10.555	19161NJ304N1099	N/A	256,912	7/1/19	6/30/20			244,715	(256,912)				(12,197)		256,912
National School Lunch Program	10.555	19161NJ304N1099	N/A	260,010	7/1/18	6/30/19	(11,081)		11,081							260,010
After School Snack Program	10.555	19161NJ304N1099	N/A	2,120	7/1/19	6/30/20			2,120	(2,120)						2,120
After School Snack Program	10.555	19161NJ304N1099	N/A	6,497	7/1/18	6/30/19	(185)		185							6,312
Food Distribution Program	10.555	N/A	N/A	33,287	7/1/19	6/30/20			33,287	(31,411)				\$ 1,876		31,411
Food Distribution Program	10.555	N/A	N/A	37,918	7/1/18	6/30/19	7,270			(7,270)						30,648
Subtotal	10.555						(3,996)		291,388	(297,713)				(12,197)	1,876	
Special Milk Program	10.556	19161NJ304N1099	N/A	363	7/1/18	6/30/19	(12)		12							363
Subtotal	10.556						(12)		12							
Total Child Nutrition Cluster							(9,220)		409,133	(417,945)				(19,908)	1,876	
Total Enterprise Fund							(9,220)		409,133	(417,945)				(19,908)	1,876	815,485
Total Federal Financial Awards							\$ (305,922)		\$ 957,973	\$ (906,081)				\$ (255,906)	\$ 1,876	\$ 1,892,082

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					ROD GRANT	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Extraordinary Aid	20-100-034-5120-473	\$ 64,913	7/1/19	6/30/20					\$ (64,913)			\$ (64,913)			\$ 64,913
Extraordinary Aid	19-100-034-5120-473	88,357	7/1/18	6/30/19	\$ (88,357)			\$ 88,357							88,357
Special Education Categorical Aid	20-495-034-5120-089	581,865	7/1/19	6/30/20				581,865	(581,865)					\$ 58,187	581,865
Equalization Aid	20-495-034-5120-078	6,180,270	7/1/19	6/30/20				6,180,270	(6,180,270)					577,725	6,180,270
Security Aid	20-495-034-5120-084	192,533	7/1/19	6/30/20				192,533	(192,533)					19,253	192,533
School Choice Aid	20-495-034-5120-068	700,992	7/1/19	6/30/20				700,992	(700,992)					70,089	700,992
Transportation Aid	20-495-034-5120-014	502,794	7/1/19	6/30/20				502,794	(502,794)					50,279	502,794
Reimbursement of Nonpublic Transportation	N/A	3,770	7/1/19	6/30/20					(3,770)			(3,770)			3,770
Reimbursement of Nonpublic Transportation	N/A	16,777	7/1/18	6/30/19	(16,777)			16,777							16,777
On-behalf TPAF Pension Contribution	20-495-034-5094-002	1,813,081	7/1/19	6/30/20				1,813,081	(1,813,081)						1,643,226
On-behalf TPAF Postretirement Contribution	20-495-034-5094-001	672,620	7/1/19	6/30/20				672,620	(672,620)						745,365
On-behalf TPAF Long Term Disability	20-495-034-5094-004	1,318	7/1/19	6/30/20				1,318	(1,318)						1,325
Reimbursed TPAF Social Security Aid	20-495-034-5094-003	656,313	7/1/19	6/30/20				617,611	(656,313)			(38,702)			656,313
Reimbursed TPAF Social Security Aid	19-495-034-5094-003	639,598	7/1/18	6/30/19	(31,764)			31,764							639,598
Total General Fund					(136,898)			11,399,982	(11,370,469)			(107,385)		775,533	12,018,098
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid	20-100-034-5120-064	7,713	7/1/19	6/30/20				4,955	(4,889)				\$ 66		4,889
Auxiliary Services:															
Compensatory Education	20-100-034-5120-067	27,581	7/1/19	6/30/20				24,823	(24,904)			(2,758)	2,677		24,904
Compensatory Education	19-100-034-5120-067	32,995	7/1/18	6/30/19		\$ 4,316				\$ (4,316)					28,679
Transportation	20-100-034-5120-067	2,287	7/1/19	6/30/20				2,059	(1,593)			(228)	694		1,593
Transportation	19-100-034-5120-067	3,391	7/1/18	6/30/19			1,865			(1,865)					1,526
Handicapped Services:															
Corrective Speech	20-100-034-5120-066	9,114	7/1/19	6/30/20				8,201	(6,380)			(913)	2,734		6,380
Corrective Speech	19-100-034-5120-066	9,821	7/1/18	6/30/19			4,464			(4,464)					5,357
Examination and Classification	20-100-034-5120-066	12,267	7/1/19	6/30/20				10,701	(5,396)			(1,566)	6,871		5,396
Examination and Classification	19-100-034-5120-066	14,748	7/1/18	6/30/19		1,459				(1,459)					13,289
Supplementary Instruction	20-100-034-5120-066	12,142	7/1/19	6/30/20				10,925	(9,309)			(1,217)	2,833		9,309
Nursing Services Aid	20-100-034-5120-070	9,118	7/1/19	6/30/20				9,118	(9,118)						9,118
Technology	20-100-034-5120-373	3,384	7/1/19	6/30/20				3,384	(3,384)						3,384
Advanced Computer Science	19E00135	90,151	1/15/19	6/30/20	(15,840)			85,307	(73,367)			(3,900)			89,207
Total Special Revenue Fund					(15,840)	12,104		159,473	(138,340)		(12,104)	(10,582)	15,875		203,031
Capital Project Fund															
ROD Grant	SP-1715-050-14-10001	423,036	N/A	N/A	(423,036)							(423,036)			321,106
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	20-100-010-3350-023	5,465	7/1/19	6/30/20				5,272	(5,465)			(193)			5,465
National School Lunch Program (State Share)	19-100-010-3350-023	6,327	7/1/18	6/30/19	(269)			269							6,327
Total Enterprise Fund					(269)			5,541	(5,465)			(193)			11,792
Total State Financial Assistance					\$ (576,043)	\$ 12,104		\$ 11,564,996	\$ (11,514,274)	\$ (12,104)	\$ (541,196)	\$ 15,875	\$ 775,533	\$ 12,554,027	
Less: On-behalf TPAF Pension System Contributions															
On-behalf TPAF Pension Contribution									\$ (1,813,081)						
On-behalf TPAF Postretirement Contribution									(672,620)						
On-behalf TPAF Long Term Disability									(1,318)						
Total for State Financial Assistance - Major Program Determination									\$ (9,027,255)						

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, 2020

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 \$18,693 for the General Fund and \$550 for the Special Revenue 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, 2020

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 24,281	\$ 11,351,776	\$ 11,376,057
Special Revenue Fund	463,305	138,340	601,645
Food Service Fund	412,551	5,465	418,016
Total awards & financial assistance	<u>\$ 900,137</u>	<u>\$ 11,495,581</u>	<u>\$ 12,395,718</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 the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of Social Security Contributions for the TPAF members for the year ended June 30, 2020.

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

On-behalf State Programs for the 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, 2020

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:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	After School Snack Program
10.555	Food Distribution 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, 2020

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

Name of State Program

State Aid Public Cluster:
Special Education Categorical Aid
Equalization Aid
Security Aid
School Choice Aid

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020

No matters were reported.