

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2020

**Responsibility of the Management of
Great Meadows Regional School District
Warren County, New Jersey**



**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

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SCHOOL DISTRICT**

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GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74
Great Meadows, New Jersey 07838

MICHAEL MAI
Superintendent

ERIC BURNSIDE
Business Administrator
Board Secretary

DAWN MCPEEK
Administrative Assistant

SUPERINTENDENT'S OFFICE
Telephone: 908-637-6576
Fax: 908-637-6356

BUSINESS OFFICE
Telephone: 908-637-8672
Fax 908-637-6356

January 5, 2021

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Great Meadows Regional School District for the fiscal year ended June 30, 2020, is hereby submitted. Great Meadows Regional School District is a K-8 regional district. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Great Meadows Regional 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 auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

Great Meadows Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. Great Meadows Regional Board of Education and its three school buildings, Central School and Great Meadows Middle School located in Independence Township and Liberty School located in Liberty Township, constitute the District's reporting entity.

The District provided a full range of educational services appropriate to grade levels kindergarten through 12. The district programs were condensed to two facilities for the PreK through 8 grade programs. Central School housed PreK through 3 grades as well as LLD and BD programs. Middle School housed grades 4-8 as well as LLD, BD programs. All high school students from the District, grades 9-12, attended Hackettstown High School on a tuition basis.

The following details the changes in students onroll enrollment of the District, as well as in each school building, for 10 years:

Average Daily Enrollment

Fiscal Year	Student Enrollment			Total District	Percent Change
	Central	Liberty	Middle		
2019-20	286.6	-	345.2	631.8	-3.02
2018-19	210.0	199.7	241.8	651.5	-5.89
2017-18	220.3	207.2	264.9	692.3	-3.01
2016-17	219.6	219.2	275.1	713.8	0.04
2015-16	198.0	233.2	279.5	710.7	-7
2014-15	203.0	259.0	298.3	760.3	-6
2013-14	224.6	285.3	293.0	803.0	-5.09
2012-13	232.7	291.7	321.7	846.1	-2.82
2011-12	249.4	311.9	309.4	870.7	-7.75
2010-11	277.0 ^a	297.0 ^b	330.0	888.0	-4.5

a. Changed from K-5 to K-2

b. Changed from K-5 to gr. 3-5

2) ECONOMIC CONDITION AND OUTLOOK:

The Townships of Independence and Liberty are contiguous and are located in the central portion of Warren County. Independence Township was incorporated in 1782 and consists of 20.1 square miles in area while Liberty Township was formed in 1926 and consists of 12.25 square miles in area.

The Townships, although primarily rural, have experienced moderate population growth, although not equal in student growth, over the past decade. The Townships continue to be bedroom communities with very few commercial and industrial ratables. The availability of land, a prime location, an appealing environment and an excellent school system all point to a continuing pattern of growth in the foreseeable future. The Highlands Legislation may affect building in the area.

3) MAJOR INITIATIVES:

The school district is proud of its efforts over the years of operation.

Goals for the future include:

- Maintenance of quality cost effective educational programs in light of inevitable reductions in state aid.
- Continued commitment to the district technology program.
- Continuing to address long range facility problems due to aging building specifically the next focus is the 100-year-old boiler in Central School.
- Continuing efforts to provide revenue streams into the district to offset reliance on the tax levy, most specifically, focus on the Liberty Sewage Treatment Plant, in an effort to bring tuition students into the district, in an effort to offset reliance on local tax basis.

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, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also 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 portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 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 generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in the Notes to the Financial Statements, Note 1.

7) DEBT ADMINISTRATION:

At June 30, 2020, the District's outstanding debt issue is \$2,550,000.

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 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state Treasury Circular Letter 15-08 OMB. 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 Great Meadows Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

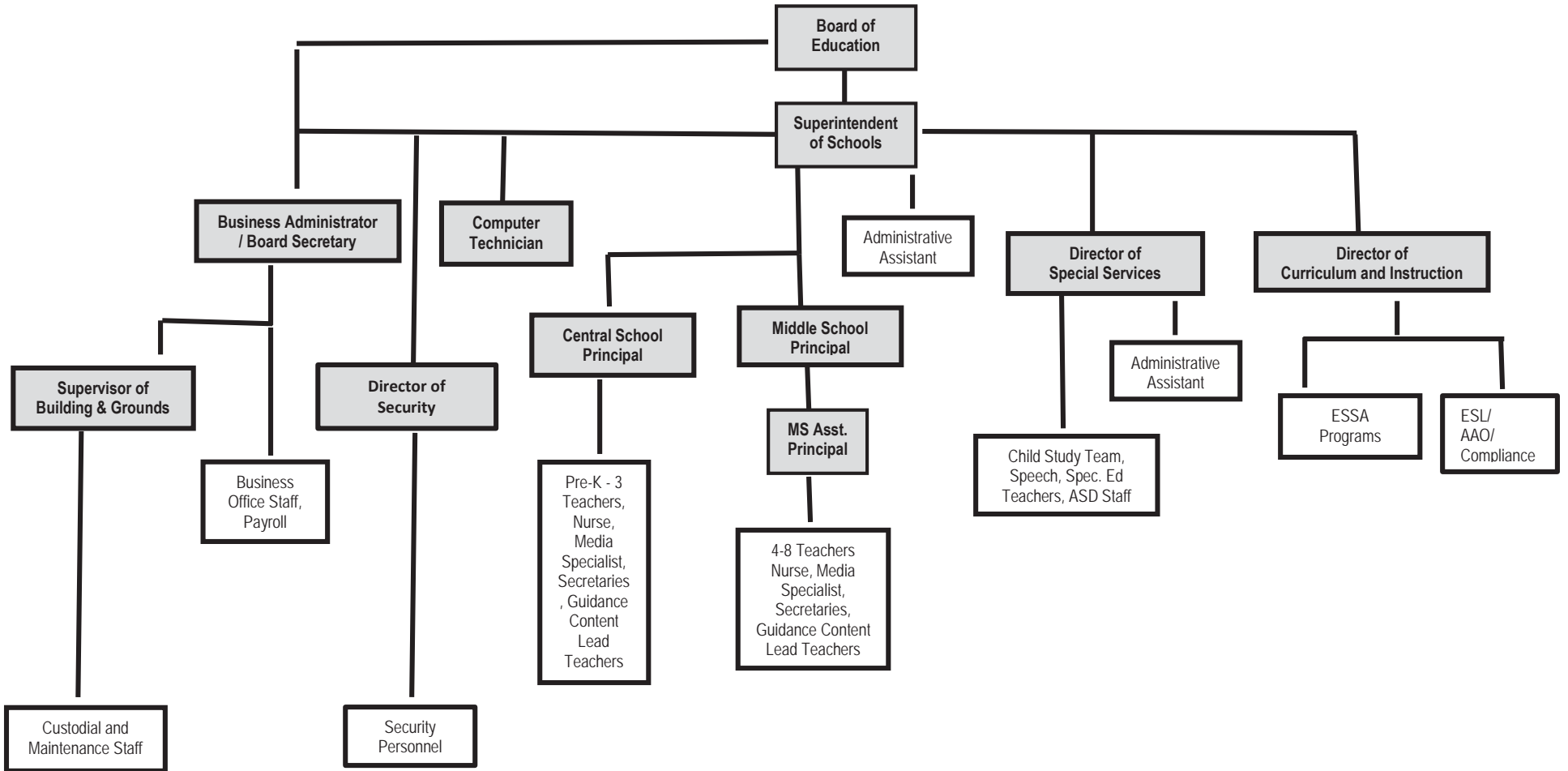


Michael Mai
Superintendent



Eric Burnside
Business Administrator/Board Secretary

Organizational Chart



**Great Meadows Public Schools
2019-2020**

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
273 US-46
Great Meadows, NJ 07838
June 30, 2020

Roster of Officials

Members of the Board of Education	Title	Term Expires
Douglas Smith	President	2021
Courtney Wenthien	Vice President	2021
Susan Cullen		2020
Tim Koeller		2020
Heather Wulf		2020
William Vonder Haar		2021
Alison DeMarco		2022
Daria Hill		2022
Giles Stuber		2022

Other Officials	Title
David Mango	Superintendent
Angela Moyer	Interim Board Secretary/School Business Administrator
Paula Hatch	Treasurer
Mark Toscano, Esq.	Attorney

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

273 US-46

Great Meadows, NJ 07838

June 30, 2020

Consultants and Advisors

ATTORNEY

Comegno Law Group, PC
521 Pleasant Valley Avenue
Morrestown, New Jersey 08057

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

FISCAL AGENT

Depository Trust
55 Water Street, 50th Floor
New York, NY 10041

First Hope Bank
Route 519
Hope, New Jersey 07844

OFFICIAL DEPOSITORIES

First Hope Bank
Route 519
Hope, New Jersey 07844



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

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 Great Meadows Regional School District (the District) in the County of Warren, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Great Meadows Regional School District, 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, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The introduction section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate 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 fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction 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 January 5, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 5, 2021
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter and the District's financial statements.

Financial Highlights

- In total, net position increased \$1,493,152, which represents a 41.73% increase from 2019.
- General revenues accounted for \$25,157,675 in revenue, or 97.47% of all revenues. Program specific revenues in the form of charges for services and operating grants were \$653,280 or 2.53% of total revenues of \$25,810,955.
- Total assets of governmental activities increased by \$735,335 as cash and cash equivalents increased by \$929,111, receivables decreased by \$45,838, and capital assets decreased by \$147,938.
- The School District had \$24,317,803 in expenses; only \$653,280 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$25,157,675 were adequate to provide for these programs.
- Among major funds, the general fund had \$22,166,730 in revenues and \$21,239,641 in expenditures. The general fund balance increased by \$913,637 from fiscal year 2019.

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District, as a whole and present a long-term view of the District's finances. Fund financial statements start on Page 23. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the Statement of Net Position and Statement of Activities. One of the most important questions asked about the District's finances; "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about the activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's capital assets to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental Activities:** most of the School District's basic services are reported here, including general administration. Local taxes, tuition, and state and federal aid finance most of these activities.
- **Business-type Activity:** The District has one proprietary fund, which is the food service fund. The food service fund provides low cost, well balanced meals to the students and staff in the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Governmental Funds

Most of the District's basic services 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. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic service it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's 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.

Proprietary Funds

When the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for the student activity and payroll and agency funds. All of the District's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net position). Net position may serve over time as a useful indicator of a district'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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Table 1 provides a summary of the District's net position at June 30, 2020 with comparisons to June 30, 2019.

	Table 1		Net Position	
	06/30/20	06/30/19	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 2,391,695	\$ 1,502,033	\$ 889,662	59.23%
Capital assets	10,672,412	10,820,529	(148,117)	-1.37%
Total assets	<u>13,064,107</u>	<u>12,322,562</u>	<u>741,545</u>	6.02%
Deferred outflows of resources				
Deferred amount on pension activity	<u>702,666</u>	<u>896,708</u>	<u>(194,042)</u>	-21.64%
Liabilities				
Long-term liabilities	7,443,919	8,325,602	(881,683)	-10.59%
Other liabilities	<u>89,863</u>	<u>92,221</u>	<u>(2,358)</u>	-2.56%
Total liabilities	<u>7,533,782</u>	<u>8,417,823</u>	<u>(884,041)</u>	-10.50%
Deferred outflows of resources				
Deferred amount on pension activity	<u>1,161,874</u>	<u>1,223,482</u>	<u>(61,608)</u>	-5.04%
Net position				
Net investment in capital assets	6,326,853	5,808,726	518,127	8.92%
Restricted	2,040,750	1,173,130	867,620	73.96%
Unrestricted	<u>(3,296,486)</u>	<u>(3,403,891)</u>	<u>107,405</u>	3.16%
Total net position	<u>\$ 5,071,117</u>	<u>\$ 3,577,965</u>	<u>\$ 1,493,152</u>	41.73%

The net position of the District's activities increased by 41.73%. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased by \$107,405 or 3.16%. Restricted net position, those restricted mainly for capital projects increased by \$867,620 or 73.96%. The net investment in capital assets increased by \$518,127 or 8.92%.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

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Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2020 with comparisons to fiscal year June 30, 2019.

Table 2
Changes in Net Position

	06/30/20	06/30/19	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 294,788	\$ 416,407	\$ (121,619)	-29.21%
Operating grants	358,492	362,763	(4,271)	-1.18%
General revenues				
Property taxes	14,910,706	14,676,639	234,067	1.59%
Unrestricted grants	10,196,628	11,263,157	(1,066,529)	-9.47%
Other	50,341	51,167	(826)	-1.61%
Total revenues	<u>25,810,955</u>	<u>26,770,133</u>	<u>(959,178)</u>	-3.58%
Program expenses				
Instruction				
Regular	7,283,064	7,709,719	(426,655)	-5.53%
Special	3,359,475	3,610,405	(250,930)	-6.95%
Other	737,691	841,664	(103,973)	-12.35%
Support services				
Tuition	5,762,878	6,034,009	(271,131)	-4.49%
Student & instructional staff	2,465,064	2,448,466	16,598	0.68%
General & business administration	670,724	693,777	(23,053)	-3.32%
School administration	898,315	979,070	(80,755)	-8.25%
Maintenance	1,308,010	1,453,307	(145,297)	-10.00%
Transportation	1,411,263	1,348,293	62,970	4.67%
Charter schools	151,041	127,203	23,838	18.74%
Food service	140,687	177,659	(36,972)	-20.81%
Interest on long-term debt	129,591	143,014	(13,423)	-9.39%
Total expenses	<u>24,317,803</u>	<u>25,566,586</u>	<u>(1,248,783)</u>	-4.88%
Change in net position	<u>\$ 1,493,152</u>	<u>\$ 1,203,547</u>	<u>\$ 289,605</u>	24.06%

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 59.29% of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2020. The District's total governmental revenues were \$25,674,161 for the fiscal year ended June 30, 2020.

The total cost of all program expenses and services for governmental activities was \$24,177,116.

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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 in fiscal year ending June 30, 2020 and fiscal year ending June 30, 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/20	06/30/19	06/30/20	06/30/19
Instruction	\$ 11,380,230	\$ 12,161,788	\$ 11,067,922	\$ 11,803,463
Support services				
Tuition	5,762,878	6,034,009	5,580,738	5,831,755
Student & instructional staff	2,465,064	2,448,466	2,442,168	2,415,201
General & business administration	670,724	693,777	670,724	693,777
School administration	898,315	979,070	898,315	979,070
Plant operations & maintenance	1,308,010	1,453,307	1,308,010	1,453,307
Pupil transportation	1,411,263	1,348,293	1,410,678	1,348,293
Charter schools	151,041	127,203	151,041	127,203
Food service	140,687	177,659	5,336	(7,667)
Interest on long-term debt	129,591	143,014	129,591	143,014
Total expenses	<u>\$ 24,317,803</u>	<u>\$ 25,566,586</u>	<u>\$ 23,664,523</u>	<u>\$ 24,787,416</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and students.

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

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

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

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

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

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

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

The School District's Funds

All governmental funds, which are comprised of the general fund, special revenue fund, capital projects fund, and debt service fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,073,442, and expenditures were \$22,178,733. The net increase in fund balance was most significant in the general fund.

General Fund Budgeting Highlights

The Great Meadows Regional 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.

Budgets are prepared in December/January with revenue information made available in February/March. The budget must be approved by the Board of Education in the beginning of March and sent to the county office for review. The budget is then approved by the Board of Education in late April. The fiscal year runs from July 1 through June 30. Changes can occur over that 18-month period.

Unanticipated shifts in enrollment, staffing needs, students requiring special services, uncertain energy costs, and unfunded programs are often mandated after a budget is adopted.

The District builds a budget to meet the needs of its students based on the information and projections that are available during the budget cycle.

During the course of the 2020 fiscal year, the District amended its general fund budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the general fund, budget basis revenues were \$20,059,311, which was \$159,397 above the original budget estimates of \$19,899,914. General fund revenues and other financing sources were more than expenditures and other financing uses by \$864,947.

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Capital Assets

At the end of the fiscal year 2020, the School District had \$10,672,412 invested in land, buildings, furniture and equipment, vehicles and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2020 with comparisons to June 30, 2019.

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	06/30/20	06/30/19	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653	\$ -	0.00%
Construction in progress	602,204	719,165	(116,961)	-16.26%
Land improvements	111,167	120,156	(8,989)	-7.48%
Buildings & improvements	9,665,210	9,700,178	(34,968)	-0.36%
Furniture & equipment	134,178	121,377	12,801	10.55%
Total	<u>\$ 10,672,412</u>	<u>\$ 10,820,529</u>	<u>\$ (148,117)</u>	<u>-1.37%</u>

Overall capital assets decreased \$148,117 from fiscal year 2019 to fiscal year 2020. This is attributable to an increase in depreciation expense.

Long-term Liabilities and Debt

At year-end, the District had total long-term liabilities of \$7,443,919 outstanding as compared to \$8,325,602 in the previous year, a decrease of 10.59 percent as shown in Table 5.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2020 with comparisons to June 30, 2019.

Table 5
Long-term Liabilities at Year-end

	06/30/20	06/30/19	Variance	
			Dollars	%
2008 Refunding Bonds	\$ 2,550,000	\$ 3,060,000	\$ (510,000)	-16.67%
Premium on Bonds	176,631	215,882	(39,251)	-18.18%
Compensated Absences	161,566	182,350	(20,784)	-11.40%
PERS Net Pension Liability	2,760,163	2,915,567	(155,404)	-5.33%
Capital Leases Payable	1,795,559	1,951,803	(156,244)	-8.01%
Total	<u>\$ 7,443,919</u>	<u>\$ 8,325,602</u>	<u>\$ (881,683)</u>	<u>-10.59%</u>

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The general obligation bonded debt of the District is limited by State law to 3 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2020 is \$26,373,105. General obligation debt authorized and outstanding at June 30, 2020 is \$2,550,000 resulting in a legal debt margin of \$23,823,105.

An analysis of the District's debt is presented in Note 5 to the basic financial statements.

Factors Bearing on the District's Future

The Great Meadows Regional School District is working to be in good financial condition. A major concern is the ever-increasing cost of special education with an increased reliance on property taxes to fund the District programs. Future finances are not without challenges as the community continues to struggle in these difficult financial circumstances. District generated tuition amounts and cost avoidance due to in-house programs continue to trend in a positive direction. This coupled with the exemplary practice of sharing costs and services with the Hackettstown School District are just some of the beneficial practices within The Great Meadows Regional School District to offer some relief on the reliance on local property taxes. The District took extreme action to close one of the educational facilities and consolidate the educational program in the remaining two facilities. The reduction in student enrollment and the corresponding reduction in state aid attributed to this decision. This action was taken to reduce the impact on the local tax basis. While this action had some immediate corresponding positive effects on the local tax basis, the unresolved facility need at Liberty School, mandated upgrades and repairs to the sewer plant, will need to be addressed before future utilization of that facility can be implemented.

The challenges presented to the district during the COVID-19 pandemic have affected the educational priorities of the district and the focus of financial investments. Remote learning has presented its financial challenges due to the lack of fiber optic connectivity as an option. Additionally, the district will need to expand its web access licenses to maintain current as well as present a wide base of learning opportunities for the students in all grades and programs. Sanitation and facility safety have also expanded the dependency on financial resources to ensure a safe learning environment for student return to the on-site learning.

The Great Meadows Regional School District will continue to make every possible effort to keep the local tax levy increase within the 2 percent cap. This tax levy cap presents significant challenges to the district as costs for special education, personnel, benefits and operating costs tend to rise at a faster rate. That fact in conjunction with a pending decrease in state aid will provide substantial challenges and hurdles as the District continues to move forward as it relates to the education of the students in the district.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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 Eric Burnside, School Business Administrator/Board Secretary at Great Meadows Regional School District, P.O. Box 74, Great Meadows, NJ 07838.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ -	\$ 22,362	\$ 22,362
Receivables, net	417,539	3,719	421,258
Inventory	-	8,401	8,401
Due from other funds, net	2,000		2,000
Restricted assets			
Capital reserve account - cash	1,195,059	-	1,195,059
Maintenance reserve account - cash	492,615	-	492,615
Emergency reserve account - cash	250,000	-	250,000
Capital assets, net			
Land and construction in progress	761,857	-	761,857
Other capital assets, net of depreciation	9,910,555	-	9,910,555
Total assets	13,029,625	34,482	13,064,107
Deferred outflows of resources			
Deferred amount on pension activity	702,666	-	702,666
Liabilities			
Accrued interest	67,886	-	67,886
Unearned revenue	2,662	9,099	11,761
Other current liabilities	10,216	-	10,216
Long-term liabilities			
Due within one year	673,727	-	673,727
Due beyond one year	6,770,192	-	6,770,192
Total liabilities	7,524,683	9,099	7,533,782
Deferred inflows of resources			
Deferred amount on pension liability	1,161,874	-	1,161,874
Net position			
Net investment in capital assets	6,326,853	-	6,326,853
Restricted for			
Capital reserve	1,298,135	-	1,298,135
Emergency reserve	250,000	-	250,000
Maintenance reserve	492,615	-	492,615
Unrestricted	(3,321,869)	25,383	(3,296,486)
Total net position	\$ 5,045,734	\$ 25,383	\$ 5,071,117

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Activities
June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,516,864	\$ 3,766,200	\$ 44,275	\$ 11,130	\$ -	\$ (7,227,659)	\$ -	\$ (7,227,659)
Special education	1,589,433	1,770,042	166,377	27,713	-	(3,165,385)	-	(3,165,385)
Other special instruction	319,795	358,942	-	62,813	-	(615,924)	-	(615,924)
Other instruction	48,649	10,305	-	-	-	(58,954)	-	(58,954)
Support services								
Tuition	5,762,878	-	-	182,140	-	(5,580,738)	-	(5,580,738)
Students and instruction related services	1,432,479	1,032,585	-	22,896	-	(2,442,168)	-	(2,442,168)
General and business administration services	499,623	171,101	-	-	-	(670,724)	-	(670,724)
School administration services	478,508	419,807	-	-	-	(898,315)	-	(898,315)
Plant operations and maintenance	1,087,678	220,332	-	-	-	(1,308,010)	-	(1,308,010)
Pupil transportation	1,411,263	-	585	-	-	(1,410,678)	-	(1,410,678)
Transfer to charter schools	151,041	-	-	-	-	(151,041)	-	(151,041)
Interest on long-term debt	129,591	-	-	-	-	(129,591)	-	(129,591)
Total governmental activities	<u>16,427,802</u>	<u>7,749,314</u>	<u>211,237</u>	<u>306,692</u>	<u>-</u>	<u>(23,659,187)</u>	<u>-</u>	<u>(23,659,187)</u>
Business-type activities								
Food service	140,687	-	83,551	51,800	-	-	(5,336)	(5,336)
Total business-type activities	<u>140,687</u>	<u>-</u>	<u>83,551</u>	<u>51,800</u>	<u>-</u>	<u>-</u>	<u>(5,336)</u>	<u>(5,336)</u>
Total primary government	<u>\$ 16,568,489</u>	<u>\$ 7,749,314</u>	<u>\$ 294,788</u>	<u>\$ 358,492</u>	<u>\$ -</u>	<u>(23,659,187)</u>	<u>(5,336)</u>	<u>(23,664,523)</u>
			General revenues, special items and transfers					
						14,472,254	-	14,472,254
						438,452	-	438,452
						10,196,628	-	10,196,628
						33,405	1,443	34,848
						15,493	-	15,493
						(7,800)	7,800	-
						<u>25,148,432</u>	<u>9,243</u>	<u>25,157,675</u>
						1,489,245	- 3,907	1,493,152
						3,556,489	21,476	3,577,965
						<u>\$ 5,045,734</u>	<u>\$ 25,383</u>	<u>\$ 5,071,117</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	24,664	-	-	-	24,664
Receivables from other governments					
Federal	-	24,418	-	-	24,418
State	176,262	-	-	-	176,262
Local	187,363	908	-	-	188,271
Other accounts receivable	28,588	-	-	-	28,588
Restricted cash and equivalents	1,937,674	-	-	-	1,937,674
Total assets	\$ 2,354,551	\$ 25,326	\$ -	\$ -	\$ 2,379,877
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 22,664	\$ -	\$ -	\$ 22,664
Accounts payable	-	-	-	-	-
Unearned revenue	-	2,662	-	-	2,662
Other current liabilities	10,216	-	-	-	10,216
Total liabilities	10,216	25,326	-	-	35,542

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2020

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus - current year	\$ 79,376	\$ -	\$ -	\$ -	\$ 79,376
Capital reserve account	1,298,135	-	-	-	1,298,135
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve account	492,615	-	-	-	492,615
Committed fund balance					
Year-end encumbrances	243,899	-	-	-	243,899
Unassigned fund balance	(19,690)	-	-	-	(19,690)
Total fund balances	<u>2,344,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,344,335</u>
Total liabilities and fund balances	<u>\$ 2,354,551</u>	<u>\$ 25,326</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$21,688,738 and the accumulated depreciation is \$11,016,326.	10,672,412
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(459,208)
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.	(7,443,919)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(67,886)</u>
Total net position of governmental activities	<u>\$ 5,045,734</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 14,472,254	\$ -	\$ -	\$ 438,452	\$ 14,910,706
Tuition - individuals	44,275	-	-	-	44,275
Tuition - other LEA's	166,377	-	-	-	166,377
Transportation- other LEA's	585	-	-	-	585
Interest on investments	33,405	-	-	-	33,405
Miscellaneous	15,493	8,416	-	-	23,909
Total local sources	14,732,389	8,416	-	438,452	15,179,257
State sources	7,434,341	-	-	161,568	7,595,909
Federal sources	-	298,276	-	-	298,276
Total revenues	22,166,730	306,692	-	600,020	23,073,442
Expenditures					
Current					
Instructional					
Regular instruction	3,505,734	11,130	-	-	3,516,864
Special education instruction	1,561,720	27,713	-	-	1,589,433
Other special instruction	256,982	62,813	-	-	319,795
Other instruction	48,649	-	-	-	48,649
Support service and undistributed costs					
Tuition	5,580,738	182,140	-	-	5,762,878
Student and instruction related services	1,409,583	22,896	-	-	1,432,479
General and business administrative services	499,623	-	-	-	499,623
School administrative services	478,508	-	-	-	478,508
Plant operations and maintenance	1,289,128	-	-	-	1,289,128
Pupil transportation	1,411,263	-	-	-	1,411,263
Unallocated benefits	4,645,488	-	-	-	4,645,488

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 398,923	\$ -	\$ -	\$ -	\$ 398,923
Transfer to charter schools	151,041	-	-	-	151,041
Debt service					
Principal	-	-	-	510,000	510,000
Interest and other charges	2,261	-	-	122,400	124,661
Total expenditures	<u>21,239,641</u>	<u>306,692</u>	<u>-</u>	<u>632,400</u>	<u>22,178,733</u>
Excess (deficiency) of revenues over (under) expenditures	927,089	-	-	(32,380)	894,709
Other financing sources (uses)					
Transfer in (out)	<u>(13,452)</u>	<u>-</u>	<u>-</u>	<u>5,652</u>	<u>(7,800)</u>
Total other financing sources (uses)	<u>(13,452)</u>	<u>-</u>	<u>-</u>	<u>5,652</u>	<u>(7,800)</u>
Net change in fund balance	913,637	-	-	(26,728)	886,909
Fund balances, July 1	<u>1,430,698</u>	<u>-</u>	<u>-</u>	<u>26,728</u>	<u>1,457,426</u>
Fund balances, June 30	<u><u>\$ 2,344,335</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,344,335</u></u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total net changes in fund balances - governmental fund (from B-2)	\$	886,909
<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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlays	\$ 398,923	
Depreciation expense	<u>(546,861)</u>	(147,938)
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:</p>		
Bond principal payments	510,000	
Capital lease payments	<u>156,244</u>	666,244
<p>Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:</p>		
Amortization of bond premium		39,251
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		22,970
<p>In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		1,025
<p>In the Statement of Activities, compensated absences and early retirement benefits 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>		
		<u>20,784</u>
Change in net position of governmental activities	\$	<u><u>1,489,245</u></u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2020

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 22,362
Receivables from other governments	
State	56
Federal	3,663
Inventory	8,401
Total current assets	34,482
Noncurrent assets	
Capital assets	286,561
Less: accumulated depreciation	286,561
Total noncurrent assets	-
Total assets	34,482
Liabilities	
Current liabilities	
Unearned revenues - commodities	2,028
Unearned revenues - prepaid sales	7,071
Total liabilities	9,099
Net position	
Net investment in capital assets	-
Unrestricted	25,383
Total net position	\$ 25,383

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Food Service Fund</u>
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 59,303
Daily sales - non-reimbursable programs	24,248
Total operating revenues	<u>83,551</u>
Operating expenses	
Cost of sales - reimbursable programs	37,601
Cost of sales - non-reimbursable programs	23,200
Commodity food costs	14,432
Salaries	40,166
Support services - employee benefits	5,560
Purchased professional/technical services	1,407
Other purchased services	
Insurance	5,056
Management fee	11,500
Supplies and materials	440
Depreciation expense	179
Miscellaneous expenditures	1,146
Total operating expenses	<u>140,687</u>
Operating income (loss)	<u>(57,136)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,434
Federal sources	
National school lunch program	
Cash Assistance	35,934
Non cash assistance (commodities)	14,432
Miscellaneous	1,443
Total non-operating revenues (expenses)	<u>53,243</u>
Transfer in (out)	<u>7,800</u>
Change in net position	3,907
Net position, beginning	<u>21,476</u>
Net position, ending	<u><u>\$ 25,383</u></u>

See accompanying notes to financial statements.

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

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 86,625
Payments to Food Service Management Company	(127,255)
Payments to vendors	<u>(80)</u>
Net cash provided by (used for) operating activities	<u>(40,710)</u>
 Cash flows from noncapital related financing activities	
State sources	1,787
Federal sources	40,055
Miscellaneous	1,443
Board contribution	<u>7,800</u>
Net cash provided by (used for) noncapital financing activities	<u>51,085</u>
 Net increase (decrease) in cash and cash equivalents	 10,375
 Cash and cash equivalents, beginning	 <u>11,987</u>
 Cash and cash equivalents, ending	 <u>\$ 22,362</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (57,136)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	179
Federal food donation program	14,432
(Increase) decrease in inventory	(488)
Increase (decrease) in unearned revenues	<u>2,303</u>
Net cash provided by (used for) operating activities	<u>\$ (40,710)</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2020

	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 35,717	\$ 16,605
Total assets	<u>\$ 35,717</u>	<u>\$ 16,605</u>
Liabilities		
Due to other funds	\$ -	\$ 2,000
Due to student groups	35,717	-
Payroll deductions and withholdings	-	14,605
Total liabilities	<u>\$ 35,717</u>	<u>\$ 16,605</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Great Meadows Regional School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Warren, 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 K-8. The District also has a sending/receiving relationship with Hackettstown school district for Grades 9-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2020 of 638 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund.

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.

Additionally, the District reports the following fund types:

Proprietary fund types

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

Enterprise Fund - The enterprise fund is utilized to account for 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 to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Equipment	12 Years
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Fiduciary fund types

Trust and Agency Funds - This fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the trust and agency funds of the District.

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. 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 and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal 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 unearned revenues at fiscal year-end.

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2019-2020 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	45 - 50
Building improvements & portable classroom	10 - 45
Land improvements	12 - 20
Furniture	20
Maintenance equipment	10 - 15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	7 - 10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement Number 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position (continued)

- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

O. Fund balances - governmental funds

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

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

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

P. Use of estimates

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

Note 2 - Tax assessments and property taxes

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks. As of June 30, 2020, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

As of June 30, 2020, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	2,296,685
Total bank balances	<u>\$ 2,546,685</u>

Deposits at June 30, 2020 appear in the financial statements as summarized below:

Cash		<u>\$ 2,012,358</u>
	<u>Ref.</u>	
Unrestricted cash		
Government funds, Balance Sheet	B-1	\$ -
Enterprise funds, Statement of Net Position	B-4	22,362
Fiduciary funds, Statement of Net Position	B-7	52,322
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>1,937,674</u>
Total cash		<u>\$ 2,012,358</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 159,653	\$ -	\$ -	\$ 159,653
Construction in progress	<u>719,165</u>	<u>281,692</u>	<u>398,653</u>	<u>602,204</u>
Total	<u>878,818</u>	<u>281,692</u>	<u>398,653</u>	<u>761,857</u>
Capital assets, being depreciated				
Land improvements	861,487	-	-	861,487
Building and improvements	19,099,415	478,462	-	19,577,877
Furniture and equipment	<u>450,095</u>	<u>37,422</u>	-	<u>487,517</u>
Total	<u>20,410,997</u>	<u>515,884</u>	<u>-</u>	<u>20,926,881</u>
Accumulated depreciation				
Land improvements	741,331	8,989	-	750,320
Building and improvements	9,399,237	513,430	-	9,912,667
Furniture and equipment	<u>328,897</u>	<u>24,442</u>	-	<u>353,339</u>
Total	<u>10,469,465</u>	<u>546,861</u>	<u>-</u>	<u>11,016,326</u>
Total capital assets, being depreciated, net	<u>9,941,532</u>	<u>(30,977)</u>	<u>-</u>	<u>9,910,555</u>
Transfers	<u>-</u>	<u>(398,653)</u>	<u>(398,653)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 10,820,350</u>	<u>\$ (147,938)</u>	<u>\$ -</u>	<u>\$ 10,672,412</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture and equipment	\$ 286,561	\$ -	\$ -	\$ 286,561
Less: accumulated depreciation	<u>286,382</u>	<u>179</u>	<u>-</u>	<u>286,561</u>
Business type activities capital assets, net	<u>\$ 179</u>	<u>\$ (179)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction		
Regular	\$ 241,438	
Special education	109,118	
Other special instruction	21,955	
Co-curricular activities	3,340	
Support services		
Student and instruction	98,343	
General and business administration	34,300	
School administration	32,851	
Plant maintenance	5,516	
Total depreciation expense, governmental activities	<u>\$ 546,861</u>	

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds payable	\$ 3,060,000	\$ -	\$ 510,000	\$ 2,550,000	\$ 505,000
Premium on bonds	215,882	-	39,251	176,631	39,251
Compensated absences payable	182,350	-	20,784	161,566	-
PERS net pension liability	2,915,567	-	155,404	2,760,163	-
Capital leases payable	<u>1,951,803</u>	<u>-</u>	<u>156,244</u>	<u>1,795,559</u>	<u>129,476</u>
Total governmental activities long-term liabilities	<u>\$ 8,325,602</u>	<u>\$ -</u>	<u>\$ 881,683</u>	<u>\$ 7,443,919</u>	<u>\$ 673,727</u>

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments are listed as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 505,000	\$ 102,000	\$ 607,000
2022	505,000	81,800	586,800
2023	495,000	61,600	556,600
2024	520,000	41,800	561,800
2025	525,000	21,000	546,000
Total	<u>\$ 2,550,000</u>	<u>\$ 308,200</u>	<u>\$ 2,858,200</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2020, with their outstanding balances are comprised of the following individual issues:

\$3,600,000 - general obligation school refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning January 15, 2018 to January 15, 2025. \$ 2,550,000

Capital Leases Payable - The District underwent renovations to all buildings and implementing an energy savings project. Both projects are financed by capital leases. The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payment at June 30, 2020:

Fiscal Year Ending June 30,	Total
2021	\$ 171,146
2022	176,649
2023	182,333
2024	188,198
2025	194,254
2026 - 2030	1,069,193
2031	64,583
Total minimum lease payments	<u>2,046,356</u>
Amount representing interest	<u>(250,797)</u>
Total	<u>\$ 1,795,559</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2020 is \$26,373,105. General obligation debt at June 30, 2020 is \$2,550,000, resulting in a legal debt margin of \$23,823,105.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a 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 Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (PERS)

Plan description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

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

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2019 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2020 was 13.79% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2019:

Net pension liability	\$ 2,760,163
Proportionate share	0.0153185121%
Plan fiduciary net position as a percentage of the total pension liability	56.27%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information (continued)

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. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Investment rate of return	7.00%

Preretirement mortality rates were based on the Pub-10 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 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate (continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (6.28%)	\$	2,760,163
At a 1% lower rate (5.28%)		3,510,790
At a 1% higher rate (7.28%)		2,163,036

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2019 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 49,541	\$ 12,193
Changes of assumptions	275,612	958,044
Net difference between projected and actual earnings on pension plan investments	-	43,570
Changes in proportion and differences between District contributions and proportionate share of contributions	228,509	148,067
District contributions subsequent to the measurement date	149,004	-
Total	<u>\$ 702,666</u>	<u>\$ 1,161,874</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) of \$149,004 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2019 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 55,600	\$ (6,059)	\$ 49,541
Changes of assumptions	480,437	(204,825)	275,612
Deferred inflows of resources			
Differences between expected and actual experience	(15,034)	2,841	(12,193)
Changes in assumptions	(932,243)	(25,801)	(958,044)
Difference between projected and actual earnings on pension plan investments	(27,348)	(16,222)	(43,570)
Net of deferred outflows	\$ (438,588)	\$ (250,066)	\$ (688,654)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Fiscal Year Ending June 30,

2020	\$ (79,701)
2021	(258,548)
2022	(230,869)
2023	(108,405)
2024	(11,131)
Total	\$ (688,654)

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the fiscal year ended June 30, 2020, the District recognized net pension expense of \$126,034, which represents the District's proportionate share of allocable plan pension expense of \$127,966, less the net amortization of deferred amounts from changes in proportion of \$217, less other adjustments to the net pension liability of \$1,715. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2019 measurement date are as follows:

Service cost	\$	106,304
Interest on total pension liability		315,075
Member contributions		(73,219)
Administrative expense		1,939
Expected investment return net of investment expense		(195,501)
Pension expense related to specific liabilities of individual employers		(916)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		23,721
Amortization of expected versus actual experience		(72,501)
Amortization of projected versus actual investment earnings on pension plan investments		23,064
Pension expense	\$	127,966

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Special funding situation

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

During the State fiscal year ending June 30, 2019, the State of New Jersey contributed \$1,116,234 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2019 measurement date is as follows:

District proportionate share of net pension liability	\$ 46,640,904
Less: State proportionate share of net pension liability	12,570,036
Net pension liability	\$ 34,070,868
 Proportionate share	 0.0555162845%
 Plan fiduciary net position as a percentage of the total pension liability	 26.95%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2015 to June 30, 2018.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (5.60%)	\$ 34,070,868
At a 1% lower rate (4.60%)	40,177,094
At a 1% higher rate (6.60%)	29,004,628

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2019 measurement date are as follows:

Service cost	\$ 1,042,346
Interest on total pension liability	2,326,994
Member contributions	(468,629)
Administrative expense	7,711
Expected investment return net of investment expense	(854,489)
Pension expense related to specific liabilities of individual employers	(166)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	98,707
Amortization of expected versus actual experience	(330,452)
Amortization of projected versus actual investment earnings on pension plan investments	187,569
Pension expense	<u>\$ 2,009,591</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2020) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2020 was \$418.

D. Other pension plan information

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$451,664 to the TPAF for postretirement medical benefits, \$21,438 for non-contributory insurance premiums, \$1,263 for long-term disability insurance, and \$1,196,046 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$388,318 during the fiscal year ended June 30, 2018 for the employer's share of Social Security contributions for TPAF members 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 Statement 68.

Note 7 - Postretirement benefits

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years 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 Alternative 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 postretirement 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 2019 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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 \$76.0 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.

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the 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 District. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2019 measurement date is as follows:

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability(continued)

State's proportionate share of the OPEB liability	\$ 41,729,081,045
District's proportionate share of the State's OPEB liability	24,468,224
Employer OPEB expense and related revenue	591,128
 Allocable proportionate percentage	 0.0586359042%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2018	\$ 27,209,475
Service cost	993,317
Interest cost	1,077,479
Change of benefit terms	-
Differences between expected and actual experiences	(4,448,033)
Changes of assumptions	364,823
Member contributions	22,265
Gross benefit payments	(751,102)
Total OPEB liability at June 30, 2019	\$ 24,468,224

There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The total non-employer 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 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%	
	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 3.05%	2.00% - 6.00%
Thereafter	1.55% - 3.05%	3.00% - 7.00%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) 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 TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District’s allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$	24,468,224
At a 1% lower rate (2.50%)		28,906,642
At a 1% higher rate (4.50%)		20,942,588

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	24,468,224
At a 1% lower rate (1% decrease)		20,160,726
At a 1% higher rate (1% increase)		30,170,467

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$594,128 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

The Board offers its employees a choice of the following 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:

- AXA Equitable
- Siracusa Benefits
- Lincoln Investment Planning

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2020 is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General fund	\$ 24,664	\$ -
Special revenue fund	-	22,664
Payroll agency fund	-	2,000
Total	<u>\$ 24,664</u>	<u>\$ 24,664</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Interfund receivable and payables (continued)

As of June 30, 2020, the following interfunds were on the District's records. The special revenue fund had an interfund payable to the general fund for \$22,664 representing a loan due to cash flow issues relating to the delayed receipt of grant revenues. The payroll agency fund had an interfund balance due to the general fund for interest and an imprest balance of \$2,000 for the flexible spending account.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2020 consisted of the following:

Food	\$	6,946
Supplies		1,455
Total	\$	8,401

Note 11 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - 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, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Contributory Method. Under this plan, the District is required to remit the entire employee deduction of unemployment compensation to the State. Any claims for unemployment are paid for by the State from those funds.

Note 13 - Reserve accounts

A capital reserve account was established by the District 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the Districts approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the Reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$450,000 to their capital reserve account, \$250,000 to emergency reserve account and \$200,000 to their maintenance reserve account by Board Resolution in June 2020 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contrib.</u>	<u>Interest Earnings</u>	<u>Return Unused Withdrawal</u>	<u>Withdrawal</u>	<u>Ending Balance</u>
Capital	\$ 853,787	\$ 450,000	\$ -	\$ -	\$ 5,652	\$ 1,298,135
Emergency	-	250,000	-	-	-	250,000
Maintenance	292,615	200,000	-	-	-	492,615
Total	<u>\$ 1,146,402</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,652</u>	<u>\$ 2,040,750</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance-general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2020 is as follows:

Restricted

Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	\$ 79,376
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	1,298,135
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	492,615

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	243,899
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	495,149
Total fund balance - Budgetary basis (Exhibit C-1)	2,859,174
Last state aid payments recognized on GAAP basis	(514,839)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 2,344,335

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$79,376.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2020 of (\$3,321,869) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Deficit fund balance

The District is reporting a deficit balance in unassigned fund balance in the general fund as of June 30, 2020 of (\$19,690) on Schedule B-1 Balance Sheet - Governmental Funds. N.J.S.A. 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 last state aid payment 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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 unassigned fund balance of \$19,690 is less than the last state aid payment of \$514,839.

Note 18 - At June 30, 2020, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30</u>	
2021	\$ 18,900
2022	18,900
2023	18,900
2024	4,726
Total minimum lease payments	<u>\$ 61,426</u>

Note 19 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report and which are expected to have a material impact on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 19 - Recent accounting pronouncements not yet effective (continued)

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement is effective for reporting periods beginning after December 15, 2019 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 20 - Risks and uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations.

Note 21 - Subsequent events

The District has evaluated subsequent events through January 5, 2021, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 14,472,254	\$ -	\$ 14,472,254	\$ 14,472,254	\$ -
Tuition from individuals	29,072	-	29,072	44,275	15,203
Tuition from other LEA's within the state	162,928	-	162,928	166,377	3,449
Transportation fees from other LEAs	-	-	-	585	585
Unrestricted miscellaneous revenues	20,000	-	20,000	48,898	28,898
Total	14,684,254	-	14,684,254	14,732,389	48,135
State sources					
Categorical transportation aid	147,093	-	147,093	147,093	-
Extraordinary aid	65,000	-	65,000	176,262	111,262
Categorical special education aid	763,471	-	763,471	763,471	-
Equalization aid	4,134,864	-	4,134,864	4,134,864	-
Categorical security aid	105,232	-	105,232	105,232	-
TPAF Pension (on-behalf)	-	-	-	1,217,484	1,217,484
TPAF Social Security (reimbursed)	-	-	-	388,318	388,318
TPAF Postretirement benefits	-	-	-	451,664	451,664
TPAF Long-term disability insurance	-	-	-	1,263	1,263
Total	5,215,660	-	5,215,660	7,385,651	2,169,991
Total revenues	\$ 19,899,914	\$ -	\$ 19,899,914	\$ 22,118,040	\$ 2,218,126
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 176,699	\$ 2,000	\$ 178,699	\$ 175,460	\$ 3,239
Grades 1-5	1,473,315	-	1,473,315	1,428,777	44,538
Grades 6-8	1,599,435	(144,600)	1,454,835	1,454,670	165
Home instruction					
Salaries of teacher	5,000	-	5,000	1,166	3,834
Purchased professional - educational services	-	5,000	5,000	1,784	3,216
Other purchased services	7,500	(7,500)	-	-	-
Regular programs - undistributed instruction					
Purchased professional - educational services	3,500	-	3,500	2,276	1,224
Purchased technical services	310,805	(150,735)	160,070	137,976	22,094
Other purchased services	97,461	-	97,461	70,930	26,531
General supplies	190,620	18,000	208,620	205,246	3,374
Textbooks	20,360	(14,000)	6,360	288	6,072
Other objects	1,700	-	1,700	324	1,376
Total	3,886,395	(291,835)	3,594,560	3,478,897	115,663

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 226,250	\$ 15,230	\$ 241,480	\$ 241,308	\$ 172
Other salaries for instruction	80,619	(31,000)	49,619	45,394	4,225
General supplies	3,550	-	3,550	1,719	1,831
Total	<u>310,419</u>	<u>(15,770)</u>	<u>294,649</u>	<u>288,421</u>	<u>6,228</u>
Behavioral disabilities					
Salaries of teachers	116,640	2,240	118,880	103,523	15,357
Other salaries for instruction	81,081	(48,300)	32,781	32,633	148
General supplies	1,650	-	1,650	1,174	476
Total	<u>199,371</u>	<u>(46,060)</u>	<u>153,311</u>	<u>137,330</u>	<u>15,981</u>
Resource room/resource center					
Salaries of teachers	678,850	69,000	747,850	728,821	19,029
Other salaries for instruction	166,562	36,430	202,992	192,107	10,885
General supplies	2,500	-	2,500	1,018	1,482
Total	<u>847,912</u>	<u>105,430</u>	<u>953,342</u>	<u>921,946</u>	<u>31,396</u>
Preschool disabilities - full-time					
Salaries of teachers	146,085	-	146,085	143,585	2,500
Other salaries for instruction	62,727	(16,000)	46,727	46,204	523
Purchased professional - educational services	-	18,750	18,750	13,034	5,716
General supplies	4,458	5,000	9,458	9,414	44
Total	<u>213,270</u>	<u>7,750</u>	<u>221,020</u>	<u>212,237</u>	<u>8,783</u>
Home instruction					
Purchased professional-educational services	-	4,500	4,500	1,786	2,714
Total	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>1,786</u>	<u>2,714</u>
Total special education	<u>1,570,972</u>	<u>55,850</u>	<u>1,626,822</u>	<u>1,561,720</u>	<u>65,102</u>
Basic skills/remedial					
Salaries of teachers	306,650	(40,000)	266,650	256,489	10,161
General supplies	1,968	-	1,968	493	1,475
Total	<u>308,618</u>	<u>(40,000)</u>	<u>268,618</u>	<u>256,982</u>	<u>11,636</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expeitures (cont'd)					
School-sponsored co/extra curricular activities - instruction					
Salaries	\$ 32,627	\$ -	\$ 32,627	\$ 10,254	\$ 22,373
Supplies and materials	1,000	-	1,000	344	656
Total	<u>33,627</u>	<u>-</u>	<u>33,627</u>	<u>10,598</u>	<u>23,029</u>
School-sponsored athletics - instruction					
Salaries	9,400	-	9,400	5,075	4,325
Supplies and materials	1,900	-	1,900	-	1,900
Total	<u>11,300</u>	<u>-</u>	<u>11,300</u>	<u>5,075</u>	<u>6,225</u>
Summer school - instruction					
Salaries of teachers	32,986	-	32,986	32,976	10
Total	<u>32,986</u>	<u>-</u>	<u>32,986</u>	<u>32,976</u>	<u>10</u>
Total instruction regular	<u>\$ 5,843,898</u>	<u>\$ (275,985)</u>	<u>\$ 5,567,913</u>	<u>\$ 5,346,248</u>	<u>\$ 221,665</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEA's within the state - regular	\$ 4,021,989	\$ -	\$ 4,021,989	\$ 4,021,989	\$ -
Tuition to other LEA's within the state - special	505,217	-	505,217	505,217	-
Tuition to county vocational school district - regular	177,605	(21,735)	155,870	121,225	34,645
Tuition to county vocational school district - special	13,800	13,800	27,600	24,840	2,760
Tuition to cssd & regional day schools	260,061	(40,300)	219,761	216,573	3,188
Tuition to priv. school for the disabled w/i state	738,398	(39,765)	698,633	690,894	7,739
Total	<u>5,717,070</u>	<u>(88,000)</u>	<u>5,629,070</u>	<u>5,580,738</u>	<u>48,332</u>
Undistributed expenditures - health services					
Salaries	130,955	5,100	136,055	135,878	177
Purchased professional and technical services	5,212	7,000	12,212	10,318	1,894
Supplies and materials	7,500	3,000	10,500	5,661	4,839
Total	<u>143,667</u>	<u>15,100</u>	<u>158,767</u>	<u>151,857</u>	<u>6,910</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	139,045	-	139,045	139,045	-
Purchased professional - educational services	118,064	86,000	204,064	187,061	17,003
Supplies and materials	132	1,250	1,382	183	1,199
Total	<u>257,241</u>	<u>87,250</u>	<u>344,491</u>	<u>326,289</u>	<u>18,202</u>
Undistributed expenditures - other supp. Serv. stds. - extra service					
Salaries	81,407	14,400	95,807	95,448	359
Purchased professional - educational services	169,759	(22,000)	147,759	146,584	1,175
Supplies and materials	-	3,000	3,000	1,823	1,177
Total	<u>251,166</u>	<u>(4,600)</u>	<u>246,566</u>	<u>243,855</u>	<u>2,711</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - guidance					
Salaries of other professional staff	\$ 126,355	\$ -	\$ 126,355	\$ 126,355	\$ -
Purchased professional - educational services	500	-	500	-	500
Other purchased professional & technical services	-	2,920	2,920	2,920	-
Supplies and materials	1,543	-	1,543	438	1,105
Total	128,398	2,920	131,318	129,713	1,605
Undistributed expenditures - child study teams					
Salaries of other professional staff	227,035	17,500	244,535	243,222	1,313
Purchased professional - educational services	97,811	-	97,811	92,981	4,830
Other purchased professional & technical services	-	3,315	3,315	3,315	-
Supplies and materials	8,644	-	8,644	2,816	5,828
Total	333,490	20,815	354,305	342,334	11,971
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	22,000	-	22,000	16,200	5,800
Salaries of secretarial & clerical assist	1,738	-	1,738	-	1,738
Other salaries	75,000	(10,000)	65,000	33,600	31,400
Purchased professional - educational services	51,240	-	51,240	49,939	1,301
Other purchased services	5,900	-	5,900	4,517	1,383
Supplies and materials	1,000	-	1,000	-	1,000
Other objects	2,500	-	2,500	-	2,500
Total	159,378	(10,000)	149,378	104,256	45,122
Undistributed expenditures - edu. media service/sch. library					
Salaries	88,355	-	88,355	71,650	16,705
Salaries of technology coordinators	37,779	-	37,779	30,000	7,779
Supplies and materials	21,125	-	21,125	5,396	15,729
Total	147,259	-	147,259	107,046	40,213
Undistributed expenditures - instructional staff training services					
Other purchased services	12,800	(7,000)	5,800	4,233	1,567
Total	12,800	(7,000)	5,800	4,233	1,567
Undistributed expenditures - support service - general admin.					
Salaries	8,619	(1,500)	7,119	7,056	63
Legal services	25,000	11,400	36,400	33,464	2,936
Audit fees	22,000	(500)	21,500	21,500	-
Other purchased professional services	79,715	15,805	95,520	95,520	-
Purchased technical services	1,500	(1,500)	-	-	-
Communications/telephone	34,105	(500)	33,605	33,574	31
BOE other purchased services	-	3,100	3,100	3,009	91
Misc purch services	71,672	11,206	82,878	82,438	440
General supplies	1,500	(1,000)	500	485	15
BOE in-house training/meeting supplies	200	-	200	118	82
Miscellaneous expenditures	22,070	(18,200)	3,870	3,820	50
BOE membership dues and fees	-	8,300	8,300	8,256	44
Total	266,381	26,611	292,992	289,240	3,752

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	\$ 340,867	\$ (11,000)	\$ 329,867	\$ 316,192	\$ 13,675
Salaries of secretarial and clerical assistants	133,951	9,000	142,951	127,225	15,726
Supplies and materials	17,318	-	17,318	12,833	4,485
Other objects	4,250	-	4,250	2,318	1,932
Total	496,386	(2,000)	494,386	458,568	35,818
Undistributed expenditures - central services					
Salaries	217,499	(4,000)	213,499	181,945	31,554
Purchased professional services	3,876	-	3,876	1,210	2,666
Miscellaneous purchased services	36,223	-	36,223	24,582	11,641
Supplies and materials	4,017	-	4,017	2,451	1,566
Other objects	3,000	-	3,000	195	2,805
Total	264,615	(4,000)	260,615	210,383	50,232
Undistributed expenditures - admin. info. technology					
Salaries	8,995	4,000	12,995	11,268	1,727
Purchased professional services	5,301	(400)	4,901	4,810	91
Purchased technical services	2,760	(600)	2,160	2,000	160
Supplies and materials	982	1,000	1,982	1,862	120
Total	18,038	4,000	22,038	19,940	2,098
Undistributed expenditures - req. maint. for school facilities					
Salaries	111,191	(16,800)	94,391	90,860	3,531
Cleaning, repair, and maintenance services	119,735	50,950	170,685	165,679	5,006
General supplies	74,059	(49,150)	24,909	21,782	3,127
Other objects	1,500	(525)	975	791	184
Total	306,485	(15,525)	290,960	279,112	11,848
Undistributed expenditures - custodial services					
Salaries	416,069	(54,811)	361,258	341,241	20,017
Purchased professional and technical services	37,904	(10,000)	27,904	17,558	10,346
Cleaning, repair, and maintenance service	36,150	25,000	61,150	50,681	10,469
Lease purchase pymts - energy savings impr prog	201,450	-	201,450	201,449	1
Insurance	54,548	-	54,548	50,593	3,955
Miscellaneous purchased services	13,238	(5,000)	8,238	2,386	5,852
General supplies	47,128	(9,000)	38,128	15,386	22,742
Energy (natural gas)	35,600	8,000	43,600	40,302	3,298
Energy (electricity)	155,000	6,000	161,000	144,205	16,795
Energy (oil)	15,000	-	15,000	12,508	2,492
Energy (gasoline)	10,000	(5,000)	5,000	-	5,000
Other objects	3,447	-	3,447	1,790	1,657
Total	1,025,534	(44,811)	980,723	878,099	102,624
Undistributed expenditures - care and upkeep of grounds					
Salaries	31,857	-	31,857	31,056	801
Purchased professional and technical services	12,106	(11,175)	931	-	931
Cleaning, repair, and maintenance service	7,500	-	7,500	5,536	1,964
General supplies	10,450	5,000	15,450	5,814	9,636
Total	61,913	(6,175)	55,738	42,406	13,332

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - security					
Salaries	\$ -	\$ 18,250	\$ 18,250	\$ 16,488	\$ 1,762
Purchased professional and technical services	41,780	7,500	49,280	45,923	3,357
Cleaning, repair, and maintenance service	15,750	11,875	27,625	27,100	525
General supplies	4,450	(3,450)	1,000	-	1,000
Total	61,980	34,175	96,155	89,511	6,644
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	-	10,000	10,000	9,544	456
Management fee - esc & ctsa trans. program	42,626	(10,731)	31,895	23,229	8,666
Other purchased professional and technical service	23,376	35,731	59,107	58,747	360
Contract service-aid in lieu pymts - non-public schools	48,000	(21,000)	27,000	24,076	2,924
Contract service-aid in lieu pymts-charter school students	7,000	1,000	8,000	5,514	2,486
Contract service (between home & school) - vendors	654,675	97,019	751,694	734,968	16,726
Contr service (oth. than between home & school) - vend.	7,000	-	7,000	2,810	4,190
Contract service (sp. ed. stds.) - joint agreements	33,000	(20,000)	13,000	8,815	4,185
Contract service (spl. ed. students) - escs & ctsas	556,415	52,500	608,915	543,560	65,355
Total	1,372,092	144,519	1,516,611	1,411,263	105,348
Allocated benefits - employee benefits					
Regular programs - instruction					
Unused sick payment to terminated/retired staff	24,750	2,100	26,850	26,837	13
Total	24,750	2,100	26,850	26,837	13
Total allocated benefits - employees	\$ 24,750	\$ 2,100	\$ 26,850	\$ 26,837	\$ 13
Unallocated benefits - employee benefits					
Social Security contributions	\$ 118,672	\$ 15,500	\$ 134,172	\$ 126,888	\$ 7,284
Other retirement contributions - PERS	176,781	(21,500)	155,281	154,395	886
Other retirement contributions - regular	2,000	-	2,000	308	1,692
Unemployment compensation	13,155	18,000	31,155	25,436	5,719
Workmen's compensation	74,745	950	75,695	75,695	-
Health benefits	2,453,412	(142,103)	2,311,309	2,164,295	147,014
Tuition reimbursement	30,359	5,000	35,359	34,417	942
Other employee benefits	32,400	(14,600)	17,800	5,325	12,475
Total	2,901,524	(138,753)	2,762,771	2,586,759	176,012
On-behalf TPAF Pension contribution	-	-	-	1,217,484	(1,217,484)
On-behalf TPAF Postretirement medical benefits	-	-	-	451,664	(451,664)
On-behalf TPAF Long-term disability insurance	-	-	-	1,263	(1,263)
Reimbursed TPAF Social Security contribution	-	-	-	388,318	(388,318)
Total	-	-	-	2,058,729	(2,058,729)
Total undistributed expenditures	\$ 13,950,167	\$ 16,626	\$ 13,966,793	\$ 15,341,168	\$ (1,374,375)
Total current	\$ 19,794,065	\$ (259,359)	\$ 19,534,706	\$ 20,687,416	\$ (1,152,710)

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 5,000	\$ 21,150	\$ 26,150	\$ 26,145	\$ 5
Undistributed expenditures - req. maint. for school facilities	-	11,300	11,300	11,276	24
Total equipment	<u>5,000</u>	<u>32,450</u>	<u>37,450</u>	<u>37,421</u>	<u>29</u>
Facilities acquisition and construction service					
Other purchased professional and technology services	8,000	45,550	53,550	42,829	10,721
Construction services	300,498	238,175	538,673	318,673	220,000
Assessment for debt service on SDA funding	2,261	-	2,261	2,261	-
Total facilities acquisition and construction service	<u>310,759</u>	<u>283,725</u>	<u>594,484</u>	<u>363,763</u>	<u>230,721</u>
Total capital outlay	<u>\$ 315,759</u>	<u>\$ 316,175</u>	<u>\$ 631,934</u>	<u>\$ 401,184</u>	<u>\$ 230,750</u>
Transfer of funds to charter schools	<u>\$ 118,938</u>	<u>\$ 32,103</u>	<u>\$ 151,041</u>	<u>\$ 151,041</u>	<u>\$ -</u>
Total expenditures	<u>\$ 20,228,762</u>	<u>\$ 88,919</u>	<u>\$ 20,317,681</u>	<u>\$ 21,239,641</u>	<u>\$ (921,960)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (328,848)	\$ (88,919)	\$ (417,767)	\$ 878,399	\$ 1,296,166
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	-	(25,000)	(25,000)	(7,800)	17,200
Capital reserve - transfer to debt service	-	(5,652)	(5,652)	(5,652)	-
Total other financing sources (uses)	<u>-</u>	<u>(30,652)</u>	<u>(30,652)</u>	<u>(13,452)</u>	<u>17,200</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(328,848)	(119,571)	(448,419)	864,947	1,313,366
Fund balances, July 1	1,994,227	-	1,994,227	1,994,227	-
Fund balances, June 30	<u>\$ 1,665,379</u>	<u>\$ (119,571)</u>	<u>\$ 1,545,808</u>	<u>\$ 2,859,174</u>	<u>\$ 1,313,366</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (328,848)	\$ -	\$ (328,848)	\$ (328,848)	\$ -
Increase in capital reserve	-	450,000	450,000	450,000	-
Withdrawal from capital reserve	-	(5,652)	(5,652)	(5,652)	-
Increase in emergency reserve	-	250,000	250,000	250,000	-
Increase in maintenance reserve	-	200,000	200,000	200,000	-
Budgeted fund balance	-	(1,013,919)	(1,013,919)	299,447	1,313,366
Total	\$ (328,848)	\$ (119,571)	\$ (448,419)	\$ 864,947	\$ 1,313,366
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				\$ 79,376	
Capital reserve				1,298,135	
Emergency reserve				250,000	
Maintenance reserve				492,615	
Committed fund balance					
Year-end encumbrances				243,899	
Unassigned fund balance				495,149	
Fund balance per budgetary basis				2,859,174	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(514,839)	
Fund balance per governmental funds (GAAP)				\$ 2,344,335	

See independent auditors' report.

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

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 9,334	\$ -	\$ 9,334	\$ 9,324	\$ (10)
Federal sources	323,802	-	323,802	295,677	(28,125)
Total revenues	<u>\$ 333,136</u>	<u>\$ -</u>	<u>\$ 333,136</u>	<u>\$ 305,001</u>	<u>\$ (28,135)</u>
Expenditures					
Instruction					
Salaries	\$ 59,835	\$ -	\$ 59,835	\$ 55,667	\$ 4,168
General supplies	50,314	472	50,786	46,230	4,556
Total	<u>110,149</u>	<u>472</u>	<u>110,621</u>	<u>101,897</u>	<u>8,724</u>
Support services					
Tuition	182,612	(472)	182,140	182,140	-
Purchased professional and technical services	5,480	-	5,480	3,318	2,162
Other purchased services	27,277	-	27,277	14,158	13,119
Supplies and materials	7,618	-	7,618	3,488	4,130
Total	<u>222,987</u>	<u>(472)</u>	<u>222,515</u>	<u>203,104</u>	<u>19,411</u>
Total expenditures	<u>\$ 333,136</u>	<u>\$ -</u>	<u>\$ 333,136</u>	<u>\$ 305,001</u>	<u>\$ 28,135</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2020

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 22,118,040	\$ 305,001
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	2,303
Outstanding encumbrances - current year	-	(612)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	563,529	-
State aid receivable - current year	(514,839)	-
Total revenues (GAAP basis)	<u>\$ 22,166,730</u>	<u>\$ 306,692</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 21,239,641	\$ 305,001
Differences - 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:		
Outstanding encumbrances - prior year	-	2,303
Outstanding encumbrances - current year	-	(612)
Total expenditures (GAAP basis)	<u>\$ 21,239,641</u>	<u>\$ 306,692</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.0153185121%	0.0148077227%	0.0140210442%	0.0145045105%	0.0158783260%	0.0168460007%	0.0152673017%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,760,163	\$ 2,915,567	\$ 3,263,875	\$ 4,295,820	\$ 3,564,366	\$ 3,154,032	\$ 2,917,885	N/A	N/A
District's covered employee payroll	\$ 1,080,612	1,095,150	1,046,342	985,451	954,391	1,009,899	1,062,273	1,139,750	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	252.04%	278.64%	331.21%	450.11%	352.94%	296.91%	256.01%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of District's Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 149,004	\$ 147,289	\$ 129,890	\$ 130,174	\$ 136,511	\$ 138,876	\$ 115,036	\$ 98,136	\$ 126,145	N/A
Contributions in relation to the contractually required contribution	<u>(149,004)</u>	<u>(147,289)</u>	<u>(129,890)</u>	<u>(130,174)</u>	<u>(136,511)</u>	<u>(138,876)</u>	<u>(115,036)</u>	<u>(126,145)</u>	<u>\$ (126,145)</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,009)</u>	<u>N/A</u>	<u>N/A</u>
District's covered employee payroll	\$ 1,080,612	\$ 1,095,150	\$ 1,046,342	\$ 985,451	\$ 954,391	\$ 1,009,899	\$ 1,062,273	\$ 1,139,750	\$ 1,008,137	N/A
Contributions as a percentage of covered employee payroll	13.79%	13.45%	12.41%	13.21%	14.30%	13.75%	10.83%	8.61%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	34,070,868	34,573,944	35,897,530	44,158,384	37,018,875	30,782,398	30,000,335	\$ -	\$ -
Total	\$ -	\$ 34,070,868	\$ 34,573,944	\$ 35,897,530	\$ 44,158,384	\$ 37,018,875	\$ 30,782,398	\$ 30,000,335	\$ -	\$ -
District's covered employee payroll	\$ 5,406,693	\$ 5,634,331	\$ 5,730,946	\$ 5,715,574	\$ 5,527,363	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of District's Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,116,234	\$ 1,114,727	\$ 819,751	\$ 598,866	\$ 449,428	\$ 316,652	\$ 243,649	\$ 383,561	\$ 188,093	N/A
Contributions in relation to the contractually required contribution	<u>(1,116,234)</u>	<u>(1,114,727)</u>	<u>(819,751)</u>	<u>(598,866)</u>	<u>(449,428)</u>	<u>(316,652)</u>	<u>(243,649)</u>	<u>(383,561)</u>	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	N/A	N/A
District's covered employee payroll	\$ 5,406,693	\$ 5,634,331	\$ 5,730,946	\$ 5,715,574	\$ 5,527,363	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ 5,625,510	N/A
Contributions as a percentage of covered employee payroll	20.65%	19.78%	14.30%	10.48%	8.13%	5.84%	4.24%	6.83%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	24,468,224	27,209,475	31,237,261	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 24,468,224	\$ 27,209,475	\$ 31,237,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 6,729,481	\$ 6,777,288	\$ 6,701,025	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information Not Available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2020

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 4.86% in State fiscal year 2018 and 5.60% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal years 2018 and 2.75% in State fiscal year 2019.
- Note 3 - Changes in assumptions - PERS
The discount rate was 5.66% in State fiscal year 2018 and 6.28% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal year 2018 and 2.75% for State fiscal year 2019.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.87% in State fiscal year 2018 to 3.50% in State fiscal year 2019. The inflation rate was 2.50% for State fiscal year 2018 and 2019.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

SPECIAL REVENUE FUND

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

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

	Local Grants	ESSA Title IA	ESSA Title IIA	ESSA Title IV	IDEA Basic	IDEA Preschool	Total
Revenues							
Local sources	\$ 9,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,324
Federal sources	-	67,825	9,388	8,612	199,537	10,315	295,677
Total revenues	<u>\$ 9,324</u>	<u>\$ 67,825</u>	<u>\$ 9,388</u>	<u>\$ 8,612</u>	<u>\$ 199,537</u>	<u>\$ 10,315</u>	<u>\$ 305,001</u>
Expenditures							
Instruction							
Salaries	\$ -	\$ 53,861	\$ -	\$ 1,806	\$ -	\$ -	\$ 55,667
General supplies	9,324	9,194	-	-	17,397	10,315	46,230
Total	<u>9,324</u>	<u>63,055</u>	<u>-</u>	<u>1,806</u>	<u>17,397</u>	<u>10,315</u>	<u>101,897</u>
Support services							
Tuition	-	-	-	-	182,140	-	182,140
Purchased professional and technical services	-	-	-	3,318	-	-	3,318
Other purchased services	-	4,770	9,388	-	-	-	14,158
Supplies and materials	-	-	-	3,488	-	-	3,488
Total	<u>-</u>	<u>4,770</u>	<u>9,388</u>	<u>6,806</u>	<u>182,140</u>	<u>-</u>	<u>203,104</u>
Total expenditures	<u>\$ 9,324</u>	<u>\$ 67,825</u>	<u>\$ 9,388</u>	<u>\$ 8,612</u>	<u>\$ 199,537</u>	<u>\$ 10,315</u>	<u>\$ 305,001</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

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

See Statements B-4, B-5, B-6.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district as an agent for individuals, private organizations, other government and/or other funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2020

	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 35,717	\$ 16,605	\$ 52,322
Total assets	<u>\$ 35,717</u>	<u>\$ 16,605</u>	<u>\$ 52,322</u>
Liabilities			
Due to other funds	\$ -	\$ 2,000	\$ 2,000
Due to student groups	35,717	-	35,717
Payroll deductions and withholdings	-	14,605	14,605
Total liabilities	<u>\$ 35,717</u>	<u>\$ 16,605</u>	<u>\$ 52,322</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 26,277	\$ 37,652	\$ 28,212	\$ 35,717
Total assets	<u>\$ 26,277</u>	<u>\$ 37,652</u>	<u>\$ 28,212</u>	<u>\$ 35,717</u>
Liabilities				
Due to student groups				
Central School	\$ 7,279	\$ 1,805	\$ 951	\$ 8,133
Liberty School	2,030	395	-	2,425
Middle School	16,968	35,452	27,261	25,159
Total liabilities	<u>\$ 26,277</u>	<u>\$ 37,652</u>	<u>\$ 28,212</u>	<u>\$ 35,717</u>

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GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 15,528	\$ 12,210,246	\$ 12,209,169	\$ 16,605
Total assets	<u>\$ 15,528</u>	<u>\$ 12,210,246</u>	<u>\$ 12,209,169</u>	<u>\$ 16,605</u>
Liabilities				
Due to other funds	\$ 3,077	\$ -	\$ 1,077	\$ 2,000
Flexiable spending account	672	3,100	2,127	1,645
Payroll deductions and withholdings	9,866	7,809,687	7,809,672	9,881
Net payroll	1,913	4,397,459	4,396,293	3,079
Total liabilities	<u>\$ 15,528</u>	<u>\$ 12,210,246</u>	<u>\$ 12,209,169</u>	<u>\$ 16,605</u>

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/19	Issued	Retired	Balance 06/30/20
			Date	Amount					
General obligation refunding school bonds of 2017	11/15/17	\$ 3,600,000	01/15/21	\$ 505,000	4.000%	\$ 3,060,000	\$ -	\$ 510,000	\$ 2,550,000
			01/15/22	505,000	4.000%	-	-	-	-
			01/15/23	495,000	4.000%	-	-	-	-
			01/15/24	520,000	4.000%	-	-	-	-
			01/15/25	525,000	4.000%	-	-	-	-
								<u>\$ 3,060,000</u>	<u>\$ -</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2020

Description	Interest Rate	Amount of Original of Issue	Balance 07/01/19	Issued	Retired	Balance 06/30/20
Energy system improvement plan	2.363%	\$ 2,600,000	\$ 1,951,803	\$ -	\$ 156,244	\$ 1,795,559
			<u>\$ 1,951,803</u>	<u>\$ -</u>	<u>\$ 156,244</u>	<u>\$ 1,795,559</u>

See independent auditors' report.

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

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 438,452	\$ -	\$ 438,452	\$ 438,452	\$ -
State sources					
Debt service aid	161,568	-	161,568	161,568	-
Total revenues	<u>600,020</u>	<u>-</u>	<u>600,020</u>	<u>600,020</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	122,400	-	122,400	122,400	-
Redemption of principal	510,000	-	510,000	510,000	-
Total expenditures	<u>632,400</u>	<u>-</u>	<u>632,400</u>	<u>632,400</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(32,380) -	- -	(32,380) -	(32,380) -	-
Other financing sources (uses)					
Transfer in (out)	5,652	-	5,652	5,652	-
Total other financing sources (uses)	<u>5,652</u>	<u>-</u>	<u>5,652</u>	<u>5,652</u>	<u>-</u>
Net change in fund balance	(26,728)	-	(26,728)	(26,728)	-
Fund balance, July 1	<u>26,728</u>	<u>-</u>	<u>26,728</u>	<u>26,728</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statistical Section J Series

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.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend 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.	J-10 to J-13
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.	J-14 to J-15
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.	J-16 to J-20
<p>Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.</p>	

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government activities										
Net investment in capital assets	\$ 2,223,422	\$ 2,280,547	\$ 2,580,148	\$ 2,751,359	\$ 2,906,201	\$ 3,547,474	\$ 4,084,810	\$ 4,853,873	\$ 5,808,547	\$ 6,326,853
Restricted	268,809	302,390	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,040,750
Unrestricted	(439,822)	(427,747)	(663,529)	(3,362,881)	(3,440,685)	(3,538,141)	(3,489,388)	(3,554,787)	(3,425,188)	(3,321,869)
Total governmental activities	<u>\$ 2,052,409</u>	<u>\$ 2,155,190</u>	<u>\$ 2,517,622</u>	<u>\$ 284,430</u>	<u>\$ 364,673</u>	<u>\$ 425,090</u>	<u>\$ 1,458,134</u>	<u>\$ 2,360,836</u>	<u>\$ 3,556,489</u>	<u>\$ 5,045,734</u>
Business-type activities										
Net investment in capital assets	\$ 57,321	\$ 35,419	\$ 24,320	\$ 14,636	\$ 6,668	\$ 4,796	\$ 2,925	\$ 1,174	\$ 179	\$ -
Unrestricted	81,263	68,188	59,073	59,287	48,414	41,153	26,288	12,408	21,297	25,383
Total business-type activities	<u>\$ 138,584</u>	<u>\$ 103,607</u>	<u>\$ 83,393</u>	<u>\$ 73,923</u>	<u>\$ 55,082</u>	<u>\$ 45,949</u>	<u>\$ 29,213</u>	<u>\$ 13,582</u>	<u>\$ 21,476</u>	<u>\$ 25,383</u>
District-wide										
Net investment in capital assets	\$ 2,280,743	\$ 2,315,966	\$ 2,604,468	\$ 2,765,995	\$ 2,912,869	\$ 3,552,270	\$ 4,087,735	\$ 4,855,047	\$ 5,808,726	\$ 6,326,853
Restricted	268,809	302,390	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,040,750
Unrestricted	(358,559)	(359,559)	(604,456)	(3,303,594)	(3,392,271)	(3,496,988)	(3,463,100)	(3,542,379)	(3,403,891)	(3,296,486)
Total district-wide	<u>\$ 2,190,993</u>	<u>\$ 2,258,797</u>	<u>\$ 2,601,015</u>	<u>\$ 358,353</u>	<u>\$ 419,755</u>	<u>\$ 471,039</u>	<u>\$ 1,487,347</u>	<u>\$ 2,374,418</u>	<u>\$ 3,577,965</u>	<u>\$ 5,071,117</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,233,798	\$ 6,324,035	\$ 6,893,927	\$ 6,601,760	\$ 7,613,489	\$ 7,910,503	\$ 8,368,806	\$ 7,961,570	\$ 7,709,719	\$ 7,283,064
Special education	578,486	1,106,202	1,039,462	976,196	1,451,427	1,769,666	2,952,136	3,809,930	3,610,405	3,359,475
Other special instruction	-	221,351	235,704	232,347	455,968	778,035	653,234	916,837	744,688	678,737
Other instruction	135,509	12,065	8,933	35,576	30,420	37,620	46,947	93,641	96,976	58,954
Support services										
Tuition	8,180,781	7,177,323	6,541,194	6,500,875	7,137,647	6,880,632	6,186,512	6,259,441	6,034,009	5,762,878
Student and instruction related services	1,377,734	1,697,007	1,713,346	1,753,640	1,813,729	2,047,647	2,163,420	2,513,196	2,448,466	2,465,064
General and business administrative services	552,999	724,352	628,034	688,811	726,105	765,762	713,839	895,058	693,777	670,724
School administration	505,510	608,888	705,221	746,416	890,623	978,926	1,119,479	1,228,043	979,070	898,315
Plant operations and maintenance	1,336,289	1,214,530	1,349,828	1,449,282	1,381,404	1,285,345	1,383,480	1,599,573	1,453,307	1,308,010
Pupil transportation	1,071,411	794,567	845,042	942,179	1,060,410	1,203,671	1,181,826	1,305,574	1,348,293	1,411,263
Transfer to charter schools	-	-	-	-	-	-	-	76,004	127,203	151,041
Interest on long-term debt	308,733	294,224	275,906	259,452	280,325	263,557	252,774	232,784	143,014	129,591
Unallocated depreciation	38,113	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>20,319,363</u>	<u>20,174,544</u>	<u>20,236,597</u>	<u>20,186,534</u>	<u>22,841,547</u>	<u>23,921,364</u>	<u>25,022,453</u>	<u>26,891,651</u>	<u>25,388,927</u>	<u>24,177,116</u>
Business-type activities										
Food services	214,089	264,899	223,129	224,059	218,877	203,262	209,843	206,372	177,659	140,687
Total business-type activities	<u>214,089</u>	<u>264,899</u>	<u>223,129</u>	<u>224,059</u>	<u>218,877</u>	<u>203,262</u>	<u>209,843</u>	<u>206,372</u>	<u>177,659</u>	<u>140,687</u>
Total district expenses	<u>\$ 20,533,452</u>	<u>\$ 20,439,443</u>	<u>\$ 20,459,726</u>	<u>\$ 20,410,593</u>	<u>\$ 23,060,424</u>	<u>\$ 24,124,626</u>	<u>\$ 25,232,296</u>	<u>\$ 27,098,023</u>	<u>\$ 25,566,586</u>	<u>\$ 24,317,803</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ 30,910	\$ 11,604	\$ 49,706	\$ 68,901	\$ 53,780	\$ 416,067	\$ 370,766	\$ 288,101	\$ 211,237
Operating grants and contributions	572,683	518,132	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692
Capital grants and contributions	-	(18,167)	-	-	-	-	-	368,176	-	-
Total governmental activities program revenues	<u>572,683</u>	<u>530,875</u>	<u>366,267</u>	<u>381,614</u>	<u>373,185</u>	<u>384,570</u>	<u>730,369</u>	<u>1,058,433</u>	<u>593,844</u>	<u>517,929</u>
Business-type activities										
Charges for services										
Food service	172,715	161,116	145,633	148,361	142,244	133,924	131,763	123,635	128,306	83,551
Operating grants and contributions	57,238	67,529	58,615	66,207	57,792	60,044	61,071	66,120	57,020	51,800
Total business-type activities program revenues	<u>229,953</u>	<u>228,645</u>	<u>204,248</u>	<u>214,568</u>	<u>200,036</u>	<u>193,968</u>	<u>192,834</u>	<u>189,755</u>	<u>185,326</u>	<u>135,351</u>
Total district-program revenues	<u>\$ 802,636</u>	<u>\$ 759,520</u>	<u>\$ 570,515</u>	<u>\$ 596,182</u>	<u>\$ 573,221</u>	<u>\$ 578,538</u>	<u>\$ 923,203</u>	<u>\$ 1,248,188</u>	<u>\$ 779,170</u>	<u>\$ 653,280</u>
Net (expense) revenues										
Governmental activities	\$ (19,746,680)	\$ (19,643,669)	\$ (19,870,330)	\$ (19,804,920)	\$ (22,468,362)	\$ (23,536,794)	\$ (24,292,084)	\$ (25,833,218)	\$ (24,795,083)	\$ (23,659,187)
Business-type activities	15,864	(36,254)	(18,881)	(9,491)	(18,841)	(9,294)	(17,009)	(16,617)	7,667	(5,336)
Total district-wide net expenses	<u>\$ (19,730,816)</u>	<u>\$ (19,679,923)</u>	<u>\$ (19,889,211)</u>	<u>\$ (19,814,411)</u>	<u>\$ (22,487,203)</u>	<u>\$ (23,546,088)</u>	<u>\$ (24,309,093)</u>	<u>\$ (25,849,835)</u>	<u>\$ (24,787,416)</u>	<u>\$ (23,664,523)</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 11,881,979	\$ 12,119,619	\$ 12,362,011	\$ 12,609,251	\$ 12,919,163	\$ 13,258,492	\$ 13,698,655	\$ 13,910,278	\$ 14,188,484	\$ 14,472,254
Taxes levied for debt service	495,215	530,267	537,321	543,598	536,107	520,240	518,156	517,876	488,155	438,452
Unrestricted grants and contributions	6,703,258	7,145,724	7,320,869	7,208,671	9,051,461	9,809,299	11,040,473	12,239,143	11,263,157	10,196,628
Investment earnings	294	37	35	744	935	1,405	9,676	24,275	41,880	33,405
Miscellaneous income	35,907	40,780	13,176	12,313	40,939	7,775	58,168	44,348	9,060	15,493
Special item:										
Transfer in (out)	-	-	-	-	-	-	-	-	-	(7,800)
Loss on disposal of capital assets	-	-	(650)	-	-	-	-	-	-	-
Prior year accounts receivable canceled	-	(51,381)	-	-	-	-	-	-	-	-
Prior year grants receivable canceled	-	(38,596)	-	-	-	-	-	-	-	-
Total governmental activities	<u>19,116,653</u>	<u>19,746,450</u>	<u>20,232,762</u>	<u>20,374,577</u>	<u>22,548,605</u>	<u>23,597,211</u>	<u>25,325,128</u>	<u>26,735,920</u>	<u>25,990,736</u>	<u>25,148,432</u>
Business-type activities										
Miscellaneous	-	1,277	-	21	-	-	-	-	-	-
Special item-loss on disposal of capital assets	-	-	(1,333)	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	161	273	986	227	1,443
Transfer in (out)	-	-	-	-	-	-	-	-	-	7,800
Total business-type activities	<u>-</u>	<u>1,277</u>	<u>(1,333)</u>	<u>21</u>	<u>-</u>	<u>161</u>	<u>273</u>	<u>986</u>	<u>227</u>	<u>9,243</u>
Total district-wide	<u>\$ 19,116,653</u>	<u>\$ 19,747,727</u>	<u>\$ 20,231,429</u>	<u>\$ 20,374,598</u>	<u>\$ 22,548,605</u>	<u>\$ 23,597,372</u>	<u>\$ 25,325,401</u>	<u>\$ 26,736,906</u>	<u>\$ 25,990,963</u>	<u>\$ 25,157,675</u>
Change in net position										
Governmental activities	\$ (630,027)	\$ 102,781	\$ 362,432	\$ 569,657	\$ 80,243	\$ 60,417	\$ 1,033,044	\$ 902,702	\$ 1,195,653	\$ 1,489,245
Business-type activities	15,864	(34,977)	(20,214)	(9,470)	(18,841)	(9,133)	(16,736)	(15,631)	7,894	3,907
Total district	<u>\$ (614,163)</u>	<u>\$ 67,804</u>	<u>\$ 342,218</u>	<u>\$ 560,187</u>	<u>\$ 61,402</u>	<u>\$ 51,284</u>	<u>\$ 1,016,308</u>	<u>\$ 887,071</u>	<u>\$ 1,203,547</u>	<u>\$ 1,493,152</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 193,809	\$ 314,922	\$ 614,946	\$ 894,835	\$ 475,865	\$ 337,046	\$ 835,157	\$ 1,081,394	\$ 1,146,402	\$ 2,120,126
Committed	74,832	-	-	9,529	11,125	8,185	129,429	339,170	328,848	243,899
Assigned	75,000	118,616	2,307	10,024	-	-	32,369	-	-	-
Unassigned	(282,808)	(212,534)	(193,505)	(190,015)	(295,902)	(243,610)	(143,246)	(114,964)	(44,552)	(19,690)
Total general fund	<u>\$ 60,833</u>	<u>\$ 221,004</u>	<u>\$ 423,748</u>	<u>\$ 724,373</u>	<u>\$ 191,088</u>	<u>\$ 101,621</u>	<u>\$ 853,709</u>	<u>\$ 1,305,600</u>	<u>\$ 1,430,698</u>	<u>\$ 2,344,335</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 45,815	\$ -	\$ -	\$ 559,129	\$ 2,763,970	\$ 78,711	\$ 73,927	\$ -	\$ -	\$ -
Assigned, reported in										
Debt service fund	<u>2,518</u>	<u>1,411</u>	<u>-</u>	<u>1,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,728</u>	<u>26,728</u>	<u>-</u>
Total all other governmental funds	<u>\$ 48,333</u>	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>	<u>\$ 78,711</u>	<u>\$ 73,927</u>	<u>\$ 26,728</u>	<u>\$ 26,728</u>	<u>\$ -</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 12,377,194	\$ 12,649,886	\$ 12,899,332	\$ 13,152,849	\$ 13,455,270	\$ 13,778,732	\$ 14,216,811	\$ 14,428,154	\$ 14,676,639	\$ 14,910,706
Tuition charges	-	-	-	-	-	1,795	146,840	210,636	288,101	210,652
Transportation charges	-	-	-	-	-	-	-	-	-	585
Miscellaneous	42,269	70,552	22,090	63,424	105,754	63,119	103,773	72,943	54,424	57,314
State sources	6,610,245	7,019,650	7,320,869	7,208,671	7,394,979	7,548,963	7,722,565	7,950,945	8,076,392	7,595,909
State sources - capital projects	-	(18,187)	-	-	-	-	-	368,176	-	-
Federal sources	659,629	638,253	351,784	325,266	294,790	327,732	307,490	310,613	302,259	298,276
Total revenues	19,689,337	20,360,154	20,594,075	20,750,210	21,250,793	21,720,341	22,497,479	23,341,467	23,397,815	23,073,442
Expenditures										
Instruction										
Regular instruction	4,270,924	4,304,285	4,530,462	4,502,409	4,277,595	4,144,829	4,049,697	3,695,614	3,622,804	3,505,734
Special education instruction	487,624	698,902	623,344	616,111	778,883	917,848	1,391,491	1,676,912	1,620,151	1,561,720
Other special instruction	107,736	123,611	129,656	131,565	228,042	353,422	259,194	336,533	301,300	256,982
Other instruction	6,489	8,135	6,100	24,053	19,603	22,808	27,103	50,373	59,001	48,649
Support services										
Tuition	6,895,835	6,854,550	6,257,235	6,245,487	6,908,970	6,638,390	5,811,449	5,995,361	5,831,755	5,580,738
Student & instruction related services	1,134,397	1,092,782	1,139,792	1,198,637	1,208,427	1,259,426	1,276,851	1,511,578	1,529,507	1,409,583
General administration	280,473	329,984	290,952	336,117	333,901	339,001	240,744	283,610	275,729	289,240
School administration services	426,110	413,653	461,358	493,329	501,305	510,020	533,241	549,897	500,707	458,568
Central services	178,800	189,179	195,465	205,729	206,559	223,126	246,536	282,836	250,338	210,383
Administrative information technology	6,867	8,051	8,177	9,833	7,861	9,698	8,540	13,639	14,626	19,940
Plant operations and maintenance	1,126,400	987,553	1,130,844	1,209,408	1,133,241	1,160,555	1,288,100	1,377,948	1,381,808	1,289,128
Pupil transportation	903,126	789,669	831,961	941,844	1,058,610	1,203,671	1,132,901	1,276,855	1,348,293	1,411,263
Employee benefits	2,159,731	2,053,322	2,160,686	2,275,114	2,348,499	2,436,076	2,568,137	2,610,552	2,592,872	2,586,759
On-behalf TPAF Pension and Social Security contribution	837,080	983,157	1,265,913	1,068,741	1,217,888	1,379,896	1,507,813	1,760,106	2,028,328	2,058,729
Transfer to charter schools	140,250	84,784	60,215	56,950	63,736	22,811	22,811	76,004	127,203	151,041
Capital outlay	92,940	-	220,434	70,322	26,109	22,084	226,174	299,179	683,270	398,923
Capital projects	137,568	-	-	22,670	783,008	2,724,864	4,784	90,173	-	-
Special revenue funds	572,683	518,132	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692
Debt service										
Principal	350,000	415,000	440,000	465,000	530,000	574,728	642,083	695,657	659,321	510,000
Interest and other charges	315,150	301,832	285,485	265,911	243,823	221,024	198,224	124,630	139,961	124,661
Total expenditures	20,430,183	20,156,581	20,392,742	20,471,138	22,180,344	24,495,067	21,750,175	23,026,948	23,272,717	22,178,733

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over (under) expenditures	\$ (740,846)	\$ 203,573	\$ 201,333	\$ 279,072	\$ (929,551)	\$ (2,774,726)	\$ 747,304	\$ 314,519	\$ 125,098	\$ 894,709
Other financing sources (uses)										
Transfer in (out)	-	-	-	-	-	-	-	-	-	(7,800)
Proceeds from bond issue & refunding bond issue	-	-	-	-	-	-	-	3,600,000	-	-
Premium on bond issue	-	-	-	-	-	-	-	274,759	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	-	-	(3,784,586)	-	-
Prior year accounts receivable canceled	-	(51,381)	-	-	-	-	-	-	-	-
Prior year grant receivable canceled	-	(38,596)	-	-	-	-	-	-	-	-
Lease purchase proceeds	-	-	-	581,789	2,600,000	-	-	-	-	-
Total other financing sources (uses)	-	(89,977)	-	581,789	2,600,000	-	-	90,173	-	(7,800)
Net change in fund balances	<u>\$ (740,846)</u>	<u>\$ 113,596</u>	<u>\$ 201,333</u>	<u>\$ 860,861</u>	<u>\$ 1,670,449</u>	<u>\$ (2,774,726)</u>	<u>\$ 747,304</u>	<u>\$ 404,692</u>	<u>\$ 125,098</u>	<u>\$ 886,909</u>
Debt service as a percentage of non-capital expenditures	3.40%	3.69%	3.73%	3.72%	3.76%	3.80%	4.06%	3.76%	3.67%	3.00%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest income	\$ 294	\$ 37	\$ 35	\$ 734	\$ 844	\$ 1,405	\$ 9,676	\$ 24,275	\$ 41,880	\$ 33,405
Tuition	-	-	-	-	-	1,795	146,840	210,636	288,101	210,652
Transportation	-	-	-	-	-	-	-	-	-	585
Prior year refunds	19,741	11,471	6,019	3,692	12,316	2,510	3,030	8,476	1,644	12,105
Prior year payables canceled	-	5,596	1,019	8,114	2,641	-	-	-	-	-
Void prior year checks	-	5,889	-	-	6,623	-	9,249	-	-	-
Grants/Donations	-	-	5,300	-	7,971	-	300	-	3,704	-
Building use fees	14,265	23,762	6,000	43,725	53,995	50,673	29,000	15,068	-	-
Energy audit program	-	13,625	-	-	-	-	-	-	-	-
E-Rate rebates	-	-	-	-	11,092	-	10,207	4,924	2,837	1,560
Book fines	-	305	6	205	291	208	97	60	88	137
ESIP Rebate	-	-	-	-	-	-	21,655	887	-	-
Prior year FEMA refunds	-	-	-	-	-	-	9,488	-	-	-
Miscellaneous	1,901	2,083	125	302	296	5,265	4,239	6,866	787	1,691
Annual totals	\$ 36,201	\$ 62,768	\$ 18,504	\$ 56,772	\$ 96,069	\$ 61,856	\$ 243,781	\$ 271,192	\$ 339,041	\$ 260,135

Source: District Records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 19,113,800	\$ 18,597,300	\$ 17,876,500	\$ 13,211,100	\$ 12,883,600	\$ 11,921,300	\$ 10,256,000	\$ 9,997,600	\$ 9,808,600	\$ 9,863,900
Residential	837,270,000	833,245,800	828,498,100	660,238,600	660,580,300	661,887,900	665,387,800	668,143,500	666,771,500	668,118,700
Farm regular	52,998,200	54,572,200	53,342,400	44,767,900	44,274,300	43,811,800	42,688,700	41,191,600	42,367,700	41,420,500
Q farm	2,783,545	2,808,273	2,780,610	2,700,400	2,594,900	2,611,500	2,568,500	2,617,400	2,666,900	2,719,900
Commercial	36,283,000	36,900,400	36,352,300	31,201,100	31,196,800	30,986,700	30,965,700	30,973,800	30,973,800	30,973,800
Industrial	4,170,000	4,170,000	4,170,000	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300
Apartment	15,873,100	15,873,100	15,873,100	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400
Total assessed value	968,491,645	966,167,073	958,893,010	770,311,800	769,722,600	769,411,900	770,059,400	771,116,600	770,781,200	771,289,500
Public utilities (a)	2,108,017	2,142,576	593,543	406,852	-	-	-	-	-	-
Net valuation taxable	\$ 970,599,662	\$ 968,309,649	\$ 959,486,553	\$ 770,718,652	\$ 769,722,600	\$ 769,411,900	\$ 770,059,400	\$ 771,116,600	\$ 770,781,200	\$ 771,289,500
Estimated actual county equalized value	\$ 1,008,668,990	\$ 964,897,334	\$ 884,947,944	\$ 800,770,196	\$ 815,789,959	\$ 835,486,916	\$ 847,314,185	\$ 872,415,145	\$ 879,522,154	\$ 886,753,820
Percentage of net valuation to estimated actual equalized value	96.23%	100.35%	108.42%	96.25%	94.35%	92.09%	90.88%	88.39%	87.64%	86.98%
Regional school tax rate by constituent district (b)										
Independence Township	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79	\$ 1.82	\$ 1.90	\$ 1.89	\$ 1.93	\$ 1.97
				*						
Liberty Township	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91	\$ 1.83	\$ 1.93	\$ 1.94	\$ 2.04

Source: Municipal Tax Assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
Township of Independence
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 12,709,200	\$ 12,211,100	\$ 11,240,300	\$ 7,238,900	\$ 7,086,400	\$ 6,480,400	\$ 6,182,900	\$ 5,846,500	\$ 5,817,800	\$ 5,797,600
Residential	604,215,100	600,488,000	595,375,400	427,583,300	428,317,600	428,718,500	432,070,000	433,039,200	433,080,200	434,099,600
Farm regular	28,169,600	29,908,200	29,659,700	21,344,100	20,818,200	20,930,400	20,007,000	19,739,000	19,683,900	19,121,500
Q farm	2,079,945	2,104,673	2,101,410	2,020,900	1,934,500	1,949,200	1,905,100	1,905,100	1,905,500	1,964,700
Commercial	29,412,600	30,030,000	29,700,500	24,811,900	24,807,600	24,597,500	24,696,900	24,705,000	24,705,000	24,626,000
Industrial	3,861,200	3,861,200	3,861,200	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500
Apartment	15,564,300	15,564,300	15,564,300	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600
Total assessed value	696,011,945	694,167,473	687,502,810	500,574,200	500,539,400	500,251,100	502,437,000	502,809,900	502,767,500	503,184,500
Public utilities (a)	1,388,202	1,341,402	593,543	406,852	-	-	-	-	-	-
Net valuation taxable	\$ 697,400,147	\$ 695,508,875	\$ 688,096,353	\$ 500,981,052	\$ 500,539,400	\$ 500,251,100	\$ 502,437,000	\$ 502,809,900	\$ 502,767,500	\$ 503,184,500
Estimated actual county equalized value	\$ 678,772,090	\$ 652,835,980	\$ 602,188,582	\$ 535,923,248	\$ 558,887,226	\$ 561,260,070	\$ 573,427,300	\$ 593,076,079	\$ 593,726,382	\$ 590,453,532
Percentage of net valuation to estimated actual equalized value	102.74%	106.54%	114.27%	93.48%	89.56%	89.13%	87.62%	84.78%	84.68%	85.22%
Total direct school tax rate (b)	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79	\$ 1.82	\$ 1.90	\$ 1.89	\$ 1.93	\$ 1.97

Source: Municipal Tax Assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
Township of Liberty
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 6,404,600	\$ 6,386,200	\$ 6,636,200	\$ 5,972,200	\$ 5,797,200	\$ 5,440,900	\$ 4,073,100	\$ 4,151,100	\$ 3,990,800	\$ 4,066,300
Residential	233,054,900	232,757,800	233,122,700	232,655,300	232,262,700	233,169,400	233,317,800	235,104,300	233,691,300	234,019,100
Farm regular	24,828,600	24,664,000	23,682,700	23,423,800	23,456,100	22,881,400	22,681,700	21,452,600	22,683,800	22,299,000
Q farm	703,600	703,600	679,200	679,500	660,400	662,300	663,400	712,300	761,400	755,200
Commercial	6,870,400	6,870,400	6,651,800	6,389,200	6,389,200	6,389,200	6,268,800	6,268,800	6,268,800	6,347,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
Total assessed value	272,170,900	271,690,800	271,081,400	269,428,800	268,874,400	268,852,000	267,313,600	267,997,900	267,704,900	267,796,200
Public utilities (a)	719,815	801,174	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 272,890,715	\$ 272,491,974	\$ 271,081,400	\$ 269,428,800	\$ 268,874,400	\$ 268,852,000	\$ 267,313,600	\$ 267,997,900	\$ 267,704,900	\$ 267,796,200
Estimated actual county equalized value	\$ 329,896,900	\$ 312,061,354	\$ 282,759,362	\$ 264,846,948	\$ 256,902,733	\$ 274,226,846	\$ 273,886,885	\$ 279,339,066	\$ 285,795,772	\$ 296,300,288
Percentage of net valuation to estimated actual equalized value	82.72%	87.32%	95.87%	101.73%	104.66%	98.04%	97.60%	95.94%	93.67%	90.38%
Total direct school tax rate (b)	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91	\$ 1.83	\$ 1.93	\$ 1.94	\$ 2.04

Source: Municipal Tax Assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Township of Independence
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate	Municipality	County	
2011	\$ 1.07	\$ 0.05	\$ 1.12	\$ 0.28	\$ 0.62	\$ 2.02
2012	1.10	0.05	1.15	0.31	0.64	2.10
2013	1.15	0.05	1.20	0.35	0.62	2.17
2014	* 1.63	0.07	1.70	0.50	0.83	3.03
2015	1.72	0.07	1.79	0.51	0.87	3.17
2016	1.75	0.07	1.82	0.54	0.86	3.22
2017	1.83	0.07	1.90	0.55	0.87	3.32
2018	1.83	0.06	1.89	0.56	0.87	3.32
2019	1.87	0.06	1.93	0.57	0.85	3.35
2020	1.91	0.06	1.97	0.58	0.82	3.37

Sources: Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District (continued)
Township of Liberty
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate	Municipality	County	
2011	\$ 1.71	\$ 0.08	\$ 1.79	\$ 0.34	\$ 0.77	\$ 2.90
2012	1.72	0.07	1.79	0.34	0.75	2.88
2013	1.73	0.07	1.80	0.34	0.75	2.89
2014	1.76	0.07	1.83	0.34	0.76	2.93
2015	1.73	0.07	1.80	0.33	0.75	2.88
2016	1.84	0.07	1.91	0.33	0.78	3.02
2017	1.76	0.07	1.83	0.34	0.78	2.95
2018	1.86	0.07	1.93	0.34	0.76	3.03
2019	1.88	0.06	1.94	0.35	0.77	3.06
2020	1.98	0.06	2.04	0.35	0.78	3.17

Sources: Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Township of Independence
Current Year and Nine Years Prior**

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Towpath Associates LLC	\$ 12,542,900	1	2.49%	\$ 12,100,000	1
Extra Space Properties Eighty LLC	4,664,000	2	0.93%	-		-
Axar Properties LLC	3,854,800	3	0.77%	4,124,000	3	0.59%
Kamping LLC	3,854,800	4	0.77%	-		-
NUJA Realty Corp	1,396,600	5	0.28%	1,849,100	6	0.27%
Individual Tax Payer	1,292,300	6	0.26%	1,623,430	7	0.23%
US Bank Trust	1,005,800	7	0.20%	-	7	-
SMM Independence LLC	937,500	8	0.19%	-		-
Crown Atlantic Co. LLC	931,200	9	0.19%	-		-
First Hope Bank	884,600	10	0.18%	1,944,200	4	0.28%
Individual Tax Payer	-		-	1,314,400	10	0.19%
Hackettstown Self Storage LLC	-		-	4,900,000	2	0.70%
Individual Tax Payer	-		-	1,606,200	8	0.23%
Individual Tax Payer	-		-	1,483,353	9	0.21%
Saloga LP	-		-	1,898,200	5	0.27%
	<u>\$ 31,364,500</u>		<u>6.23%</u>	<u>\$ 32,842,883</u>		<u>4.71%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District (continued)
Township of Liberty
Current Year and Eight Years Prior

	2020			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Rapid Funding LLC	\$ 1,585,200	1	0.58%	\$ -	-
Individual Property Owner	1,148,100	2	0.42%	1,148,300	2	0.42%
Topp Orange LLC	1,031,100	3	0.38%	1,027,600	4	0.38%
US Bank Trust	831,400	4	0.31%	-	-	-
Individual Property Owner	815,100	5	0.30%	717,600	6	0.26%
Individual Property Owner	790,400	6	0.29%	672,200	7	0.25%
Individual Property Owner	650,800	7	0.24%	664,200	8	0.24%
Individual Property Owner	635,500	8	0.23%	641,300	9	0.24%
Individual Property Owner	634,600	9	0.23%	619,800	10	-
Individual Property Owner	613,300	10	0.23%	-	-	-
Pryslak Farms	-	-	-	1,528,000	1	0.56%
John E. Rogers Inc.	-	-	-	815,000	5	0.30%
Wooded Valley Estates II LLC	-	-	-	1,095,100	3	0.40%
	<u>\$ 8,735,500</u>		<u>3.21%</u>	<u>\$ 8,929,100</u>		<u>3.05%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ended June 30,	Taxes Levied for the Year		Collected within the Year of the Levy (a)	
	Township of Independence	Township of Liberty	Amount	Percentage of Levy
2011	\$ 7,675,912	\$ 4,701,282	\$ 12,377,194	100.00%
2012	7,827,349	4,822,537	12,649,886	100.00%
2013	8,018,233	4,881,099	12,899,332	100.00%
2014	8,266,020	4,886,829	13,152,849	100.00%
2015	8,520,575	4,934,695	13,455,270	100.00%
2016	8,932,297	4,846,435	13,778,732	100.00%
2017	9,095,701	5,121,110	14,216,811	100.00%
2018	9,533,608	4,894,546	14,428,154	100.00%
2019	9,505,968	5,170,671	14,676,639	100.00%
2020	9,730,712	5,179,994	14,910,706	100.00%

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

- (a) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 7,015,000	\$ -	\$ -	\$ -	\$ -	\$ 7,015,000	1.85%	\$ 818	
2012	6,600,000	-	-	-	-	6,600,000	1.69%	773	
2013	6,160,000	-	-	-	-	6,160,000	1.55%	728	
2014	5,695,000	-	581,789	-	-	6,276,789	1.57%	748	
2015	5,215,000	-	3,131,789	-	-	8,346,789	2.02%	995	
2016	4,735,000	-	2,931,208	-	-	7,666,208	1.80%	917	
2017	4,235,000	-	2,592,654	-	-	6,827,654	1.59%	823	
2018	3,570,000	-	2,249,058	-	-	5,819,058	1.32%	704	
2019	3,060,000	-	1,951,803	-	-	5,011,803	1.08%	608	
2020	2,550,000	-	1,795,559	-	-	4,345,559	N/A	529	

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-15 for personal income and population data.
These ratios are calculated using personal income and population for the prior calendar year.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 7,015,000	\$ -	\$ 7,015,000	0.72%	\$ 818
2012	6,600,000	-	6,600,000	0.68%	773
2013	6,160,000	-	6,160,000	0.64%	728
2014	5,695,000	-	5,695,000	0.74%	679
2015	5,215,000	-	5,215,000	0.68%	622
2016	4,735,000	-	4,735,000	0.62%	566
2017	4,235,000	-	4,235,000	0.55%	510
2018	3,570,000	-	3,570,000	0.46%	432
2019	3,060,000	-	3,060,000	0.40%	371
2020	2,550,000	-	2,550,000	0.33%	310

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-7 for property tax data.
- (b) Population data can be found in Exhibit J-15.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Township of Independence	\$ 1,190,000	100%	\$ 1,190,000
Township of Liberty	156,100	100%	156,100
County general obligation debt	2,205,000	8%	<u>177,231</u>
Subtotal, overlapping debt			1,523,331
School district direct debt	3,060,000	100%	<u>3,060,000</u>
Total direct and overlapping debt			<u><u>\$ 4,583,331</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis	
	2019	\$ 886,163,480
	2018	879,885,026
	2017	871,262,043
		<u>\$ 2,637,310,549</u>
Average equalized valuation of taxable property		<u>\$ 879,103,516</u>
Debt limit (3.0% of average equalization value)		\$ 26,373,105
Total net debt applicable to limit		<u>2,550,000</u>
Legal debt margin		<u>\$ 23,823,105</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 24,870,352	\$ 24,985,874	\$ 25,534,909	\$ 25,975,427	\$ 26,373,105
Total net debt applicable	<u>4,735,000</u>	<u>4,235,000</u>	<u>3,570,000</u>	<u>3,060,000</u>	<u>2,550,000</u>
Legal debt margin	<u>\$ 20,135,352</u>	<u>\$ 20,750,874</u>	<u>\$ 21,964,909</u>	<u>\$ 22,915,427</u>	<u>\$ 23,823,105</u>
Total net debt applicable to the limit as a percentage of debt limit	19.04%	16.95%	13.98%	11.78%	9.67%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 31,625,604	\$ 30,201,653	\$ 28,613,919	\$ 26,905,847	\$ 25,420,239
Total net debt applicable	<u>7,015,000</u>	<u>6,600,000</u>	<u>6,160,000</u>	<u>5,695,000</u>	<u>5,215,000</u>
Legal debt margin	<u>\$ 24,610,604</u>	<u>\$ 23,601,653</u>	<u>\$ 22,453,919</u>	<u>\$ 21,210,847</u>	<u>\$ 20,205,239</u>
Total net debt applicable to the limit as a percentage of debt limit	22.18%	21.85%	21.53%	21.17%	20.52%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Township of Independence Population (a)	Township of Liberty Population (a)	Township of Independence Personal Income (b)	Township of Liberty Personal Income (b)	Per Capita Personal Income (c)	Township of Independence Unemployment Rate (d)	Township of Liberty Unemployment Rate (d)
2011	5,637	2,936	\$ 249,544,353	\$ 129,973,784	\$ 44,269	3.1%	10.0%
2012	5,608	2,925	256,885,656	133,985,475	45,807	3.0%	9.7%
2013	5,569	2,895	262,288,762	136,348,710	47,098	5.6%	6.9%
2014	5,528	2,865	263,182,552	136,399,785	47,609	6.1%	6.3%
2015	5,528	2,860	271,911,264	140,677,680	49,188	5.1%	5.7%
2016	5,511	2,848	281,116,110	145,276,480	51,010	4.0%	4.3%
2017	5,468	2,829	283,515,800	146,683,650	51,850	3.6%	4.2%
2018	5,449	2,816	291,003,845	150,388,480	53,405	3.2%	3.8%
2019	5,431	2,811	N/A	N/A	N/A	2.9%	3.1%
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2020

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2011

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

GREAT MEADOWS REGIONAL 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	71.0	65.6	65.6	65.6	65.6	65.6	65.6	65.6	64.0	45.0
Special education	20.0	17.6	17.6	17.6	14.6	14.6	14.6	15.6	18.0	41.0
Support services										
Student and instruction related services	20.0	17.6	23.0	23.0	23.0	23.0	23.0	23.0	27.0	19.3
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
School administration services	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	6.7	6.7
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6
Plant operations and maintenance	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.4	11.3
Pupil transportation	1.0	1.0	-	-	-	-	-	-	-	-
Total	<u>136.0</u>	<u>125.8</u>	<u>130.2</u>	<u>131.2</u>	<u>127.2</u>	<u>127.2</u>	<u>127.2</u>	<u>128.2</u>	<u>132.1</u>	<u>127.9</u>

Source: District Personnel Records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	904	\$ 19,534,525	\$ 21,609	6.75%	81	1 to 11	888.0	847.0	-4.52%	95.38%
2012	873	19,439,749	22,268	3.05%	85	1 to 10	870.7	833.3	-1.95%	95.70%
2013	851	19,446,823	22,852	2.62%	85	1 to 10	846.1	809.9	-2.83%	95.72%
2014	811	19,647,235	24,226	6.01%	85	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85	1 to 9	754.9	723.8	-6.00%	95.88%
2016	714	20,952,367	29,345	8.28%	85	1 to 8	711.0	683.4	-5.82%	96.12%
2017	714	20,678,910	28,962	-1.31%	85	1 to 8	713.8	685.3	0.39%	96.01%
2018	690	21,817,309	31,619	9.17%	86	1 to 8	692.3	659.6	-3.01%	95.28%
2019	660	21,790,165	33,015	4.42%	82	1 to 8	651.5	615.7	-5.90%	94.51%
2020	638	21,145,149	33,143	0.39%	67	1 to 10	631.8	603.8	-3.02%	95.57%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
<u>Liberty School (1972)</u>										
Square feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (students)	296	296	296	296	296	296	296	296	296	296
Enrollment	297	313	294	287	262	240	219	225	197	-
<u>Central School (1918)</u>										
Square feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	277	247	233	229	200	199	221	205	218	287
Middle										
<u>Great Meadows Middle School (1998)</u>										
Square feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (students)	564	564	564	564	564	564	564	564	564	564
Enrollment	330	313	322	296	297	279	269	260	245	345
<u>Number of schools at June 30, 2020</u>										
Elementary	2									
Middle	1									

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ended	School Facilities*			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2011	\$ 47,117	\$ 68,656	\$ 76,541	\$ 192,314
2012	64,003	56,370	93,334	213,707
2013	88,513	82,517	74,093	245,123
2014	58,306	51,767	111,719	221,792
2015	48,322	70,541	68,444	187,307
2016	53,500	47,292	65,675	166,467
2017	64,943	52,784	94,075	211,802
2018	69,175	79,334	98,483	246,992
2019	81,549	105,186	68,414	255,149
2020	30,340	133,508	115,264	279,112
Total school facilities	<u>\$ 605,768</u>	<u>\$ 747,955</u>	<u>\$ 866,042</u>	<u>\$ 2,219,765</u>

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

Source: District Records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Property Coverages	\$ 500,000,000	\$ 5,000
Pollution Clean up & Removal	250,000	-
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	500,000	1,000
Liability Coverages		
Comprehensive General Liability	11,000,000	-
Automobile Liability	11,000,000	-
Employee Benefits Liability	11,000,000	1,000
Crime Coverages		
Blanket Employee Dishonesty	100,000	500
Theft, Disappearance, Forgery, Computer Fraud	50,000	500
School Board Legal Liability - NJSIG		
Directors and Officers Policy	11,000,000	5,000
Workers Compensation - NJSIG		
Part One	Statutory	-
Part Two		
Bodily Injury by Accident	2,000,000	-
Bodily Injury by Disease	2,000,000	-
Public Employees' Faithful Performance - Selective Insurance		
Treasurer of School Monies	210,000	-
Business Administrator	30,000	

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION



Certified Public Accountants, PC
www.bkc-cpa.com

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

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Great Meadows Regional School District, County of Warren, the State of New Jersey, (the District), 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, and have issued our report thereon dated January 5, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Highland Park Borough Public School District's internal 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 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 in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 5, 2021
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform
Guidance and New Jersey OMB Circular 15-08-OMB**

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Great Meadows Regional School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2020. The District's major 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major 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; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the OMB 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 state program occurred. An audit includes examining, on a test basis, evidence about the 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 District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the 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 the 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 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 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 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 5, 2021
Flemington, New Jersey

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/19	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2020		
	CFDA Number				Period From	Period To						of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education															
Special Revenue Fund															
ESSA Title I A	84.010A	S020A180030	ESSA-1785-19	\$ 80,470	07/01/18	06/30/19	\$ (20,347)	\$ -	\$ 20,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESSA Title I A	84.010A	S020A190030	ESSA-1785-20	79,632	07/01/19	06/30/20	-	-	53,362	67,825	-	-	(14,463)	-	-
ESSA Title II A	84.367A	S367A180029	ESSA-1785-19	19,692	07/01/18	06/30/19	(8,509)	-	8,509	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A190029	ESSA-1785-20	18,252	07/01/19	06/30/20	-	-	9,388	9,388	-	-	-	-	-
ESSA Title IV A	84.424	S424A180031	ESSA-1785-19	15,064	07/01/18	06/30/19	(5,694)	-	5,694	-	-	-	-	-	-
ESSA Title IV A	84.424	S424A190031	ESSA-1785-20	13,686	07/01/19	06/30/20	-	-	10,208	8,612	-	-	-	1,596	-
IDEA Basic	84.027	H027A190100	IDEA-1785-20	199,612	07/01/19	06/30/20	-	-	199,285	199,537	-	-	(252)	-	-
IDEA Basic	84.027	H027A180100	IDEA-1785-19	202,254	07/01/18	06/30/19	(9,693)	-	9,693	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A190114	IDEA-1785-20	10,317	07/01/19	06/30/20	-	-	-	10,315	-	-	(10,315)	-	-
Total Special Revenue Fund							<u>(44,243)</u>	<u>-</u>	<u>316,486</u>	<u>295,677</u>	<u>-</u>	<u>-</u>	<u>(25,030)</u>	<u>1,596</u>	<u>-</u>
U.S. Department of Agriculture passed through State Department of Agriculture															
Enterprise Fund															
Child Nutrition Cluster															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	191NJ304N1099	N/A	15,364	10/01/18	09/30/19	2,799	-	-	2,799	-	-	-	-	-
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	13,661	10/01/19	09/30/20	-	-	13,661	11,633	-	-	-	2,028	-
National School Lunch Program															
Cash Assistance	10.555	191NJ304N1099	N/A	40,185	10/01/18	09/30/19	(7,784)	-	7,784	-	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	201NJ304N1099	N/A	35,934	10/01/19	09/30/20	-	-	32,271	35,934	-	-	(3,663)	-	-
Total Enterprise Fund							<u>(4,985)</u>	<u>-</u>	<u>53,716</u>	<u>50,366</u>	<u>-</u>	<u>-</u>	<u>(3,663)</u>	<u>2,028</u>	<u>-</u>
Total Federal Awards							<u>\$ (49,228)</u>	<u>\$ -</u>	<u>\$ 370,202</u>	<u>\$ 346,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,693)</u>	<u>\$ 3,624</u>	<u>\$ -</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	20-495-034-5120-014	147,093	07/01/19	06/30/20	\$ -	\$ -	\$ 132,390	\$ 147,093	\$ -	\$ -	\$ -	\$ -	\$ 14,703	\$ 147,093
Equalization Aid	20-495-034-5120-078	4,134,864	07/01/19	06/30/20	-	-	3,721,560	4,134,864	-	-	-	-	413,304	4,134,864
Special Education Aid	20-495-034-5120-089	763,471	07/01/19	06/30/20	-	-	687,158	763,471	-	-	-	-	76,313	763,471
Security Aid	20-495-034-5120-084	105,232	07/01/19	06/30/20	-	-	94,713	105,232	-	-	-	-	10,519	105,232
Extraordinary Special Education Costs Aid	19-495-034-5120-044	166,739	07/01/18	06/30/19	(166,739)	-	166,739	-	-	-	-	-	-	166,739
Extraordinary Special Education Costs Aid	20-495-034-5120-044	176,262	07/01/19	06/30/20	-	-	-	176,262	-	(176,262)	-	-	-	176,262
Non-Public Transportation Aid	19-495-034-5120-014	12,180	07/01/18	06/30/19	(12,180)	-	12,180	-	-	-	-	-	-	12,180
On-Behalf TPAF Pension Contribution - Post Retirement Medical	20-495-034-5094-001	451,664	07/01/19	06/30/20	-	-	451,664	451,664	-	-	-	-	-	451,664
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004	21,438	07/01/19	06/30/20	-	-	21,438	21,438	-	-	-	-	-	21,438
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002	1,196,046	07/01/19	06/30/20	-	-	1,196,046	1,196,046	-	-	-	-	-	1,196,046
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004	1,263	07/01/19	06/30/20	-	-	1,263	1,263	-	-	-	-	-	1,263
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	406,575	07/01/18	06/30/19	(40,073)	-	40,073	-	-	-	-	-	-	406,575
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	388,318	07/01/19	06/30/20	-	-	388,318	388,318	-	-	-	-	-	388,318
Total General Fund					(218,992)	-	6,913,542	7,385,651	-	(176,262)	-	-	514,839	7,971,145
Debt Service Fund														
Debt Service Aid - State Support	20-495-034-5120-017	161,568	07/01/19	06/30/20	-	-	161,568	161,568	-	-	-	-	-	161,568
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	2,042	07/01/18	06/30/19	(409)	-	409	-	-	-	-	-	-	2,042
State School Lunch Program	20-100-010-3350-023	1,434	07/01/19	06/30/20	-	-	1,378	1,434	-	(56)	-	-	-	1,434
Total Enterprise Fund					(409)	-	1,787	1,434	-	(56)	-	-	-	3,476

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2020			Memo		
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
Total State Financial Assistance					<u>\$ (219,401)</u>	<u>\$ -</u>	<u>\$ 7,076,897</u>	\$ 7,548,653	<u>\$ -</u>	<u>\$ (176,318)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,839</u>	<u>\$ 8,136,189</u>	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund					20-495-034-5094-002			1,196,046							
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance					20-495-034-5094-004			21,438							
On-Behalf TPAF Pension Contribution - Postretirement Medical					20-495-034-5094-001			451,664							
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance					20-495-034-5094-004			1,263							
Total for State Financial Assistance - Major Program Determination								<u>\$ 5,878,242</u>							

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Great Meadows Regional School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance 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 Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$48,690 for the general fund and \$1,691 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 3 - Relationship to basic financial statements (continued)

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ -	\$ -	\$ 7,434,341	\$ 7,434,341
Special revenue fund	8,416	298,276	-	306,692
Debt service fund	-	-	161,568	161,568
Food service fund	-	50,366	1,434	51,800
Total awards and financial assistance	<u>\$ 8,416</u>	<u>\$ 348,642</u>	<u>\$ 7,597,343</u>	<u>\$ 7,954,401</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 USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2020.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
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. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020**

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes ___ No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? ___ Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? ___ Yes X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<i>20-495-034-5120-078</i>	<i>State Aid Public Cluster:</i>
<i>20-495-034-5120-089</i>	<i>Equalization Aid</i>
<i>20-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
	<i>Security Aid</i>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2020**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2020.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2020.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2020**

Status of Prior Year Findings

There were no prior year findings or questioned costs.