

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF GALLOWAY
SCHOOL DISTRICT
GALLOWAY TOWNSHIP, NEW JERSEY**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	11
Required Supplementary Information - Part I Management's Discussion and Analysis	17
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	29
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	30
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Proprietary Funds:	
B-4 Combining Statement of Net Position	32
B-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	33
B-6 Combining Statement of Cash Flows	34
Fiduciary Funds:	
B-7 Combining Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	35
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	77
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	89
C-3 Budget-to-GAAP Reconciliation	91

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)		Page
Required Supplementary Information - Part III		
L. Schedules Related to Accounting and Reporting for Pensions		
L-1	Schedule of the School District's Proportionate Share of the Net Pension Liability - PERS	93
L-2	Schedule of the School District's Contributions – PERS	94
L-3	Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	95
L-4	Schedule of the School District's Contributions – TPAF	96
L-5	Notes to the Required Supplementary Information - Part III	97
Required Supplementary Information - Part IV		
M. Schedules Related to Accounting and Reporting for OPEB		
M-1	Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	99
M-2	Notes to the Required Supplementary Information - Part IV	100
Other Supplementary Information		
D. School Based Budget Schedules		
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:		
E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	103
E-2	Schedule of Preschool Education Aid - Budgetary Basis	108
F. Capital Projects Fund:		
F-1	Summary Schedule of Project Expenditures	110
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	111
F-2a	Schedule(s) of Project Revenues, Expenditures, Project Balance and -2j Project Status - Budgetary Basis	112

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	123
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	124
G-3 Combining Statement of Cash Flows	125
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	127
I-2 Schedule of Obligations under Capital Leases	128
I-3 Debt Service Fund Budgetary Comparison Schedule	129
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	132
J-2 Changes in Net Position	133
J-3 Fund Balances - Governmental Funds	135
J-4 Changes in Fund Balances - Governmental Funds	136
J-5 General Fund - Other Local Revenue by Source	137
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	139
J-7 Direct and Overlapping Property Tax Rates	140
J-8 Principal Property Taxpayers	141
J-9 Property Tax Levies and Collections	142
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	144
J-11 Ratios of Net General Bonded Debt Outstanding	145
J-12 Direct and Overlapping Governmental Activities Debt	146
J-13 Legal Debt Margin Information	147

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Table of Contents (Cont'd)

STATISTICAL SECTION (Unaudited) (Cont'd)	Page
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	149
J-15 Principal Non-Governmental Employers	150
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	152
J-17 Operating Statistics	153
J-18 School Building Information	154
J-19 Schedule of Required Maintenance Expenditures by School Facility	155
J-20 Insurance Schedule	156
 SINGLE AUDIT SECTION 	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	14
K-2 Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB	158
K-3 Schedule of Expenditures of Federal Awards, Schedule A	160
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	162
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	164
K-6 Schedule of Findings and Questioned Costs	167
Section 1 – Summary of Auditor’s Results	167
Section 2 – Schedule of Financial Statement Findings	169
Section 3 – Schedule of Federal Award Findings and Questioned Costs	170
Section 4 – Schedule of State Financial Assistance Findings and Questioned Costs	171
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	172

INTRODUCTORY SECTION



Galloway Township Public Schools

101 South Reeds Road | Galloway, NJ 08205
Phone: (609) 748-1250 | Web: www.gtps.k12-nj.us

Annette C. Giaquinto, Ed. D.
Superintendent of Schools

Joy N. Nixon, CPA
School Business Administrator

March 8, 2022

Honorable President and
Members of the Board of Education
Galloway Township Public Schools
County of Atlantic, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Galloway Township Public School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Galloway Township 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

1) REPORTING ENTITY AND ITS SERVICES (CONT'D):

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 3,330 students (including 39 students attending Charter Schools and 18 attending choice districts). The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment Per Year Data

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2020-21	3,330	-0.39%
2019-20	3,343	0.91%
2018-19	3,313	-0.45%
2017-18	3,328	0.30%
2016-17	3,318	0.58%
2015-16	3,299	0.52%
2014-15	3,282	-4.87%
2013-14	3,450	-1.68%
2012-13	3,509	-1.60%
2011-12	3,566	-1.44%

2) ECONOMIC CONDITION AND OUTLOOK:

The Galloway Township area continues is continuing to experience effects related to the COVID-19 pandemic. General businesses and economic growth to the area have slowed over the past ten years, especially in the gaming industry related to nearby Atlantic City. The past six years, enrollment has leveled with only slight increases/decreases. While this health and related economic downturn is expected to stabilize in the near future, Galloway Township does not expect to experience significant growth issues in the near future.

3) MAJOR INITIATIVES:

During the 2020-2021 school year, our district and schools continued efforts to provide a quality education in a safe, positive learning environment. The COVID-19 pandemic impacted instructional and non-instructional aspects. The district sought to find a balance between keeping everyone healthy and striving to meet student academic and social-emotional needs while also supporting staff. We implemented our Board of Education approved “Restart Plan” which covered every aspect of schooling. Due to Covid-19, the annual NJSLA tests were not administered.

Additionally, we worked to address the New Jersey Student Learning Standards in all content areas while providing for the needs of our diverse student population. Initiatives include, but are not limited to, those listed below. Funding sources include the local budget, federal and state grants, and other identified grants (e.g. Education Foundation, AtlantiCare).

- Purchased supplemental and/or replacement materials for all content areas and programs.
- Piloted and purchased a new reading series, HMH Into Reading, Into Literature
- Purchased additional technology including Chromebook carts and iPads

3) MAJOR INITIATIVES (CONT'D):

- Provided ongoing staff development including virtual teaching and learning, student and staff mental health, content-based, pedagogical, DOE mandated, cultural proficiency, executive functioning, restorative practices, technology, and other areas as deemed necessary including those areas indicated in our School and District Professional Development Plans.
- Offered a Title I funded a Summer Learning Program with in-person and virtual options and IDEA funded in-person Extended School Year and Summer Extension Program. Additionally, we utilized ESSER funding to provide summer counseling services to identified students.

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 accounting principles generally accepted in the United States of America (GAAP).

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that 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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2021.

6) ACCOUNTING SYSTEM AND REPORTS:

The District’s accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in “Notes to the Financial Statements,” Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 2. 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 loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition, to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

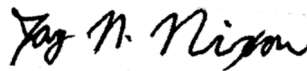
10) ACKNOWLEDGMENTS:

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

Respectfully submitted,



Annette C. Giaquinto, Ed.D
Superintendent of Schools



Joy N. Nixon
School Business Administrator/Board Secretary

Organizational Chart



**GALLOWAY TOWNSHIP PUBLIC SCHOOLS
MEMBERS OF THE BOARD OF EDUCATION AND
ADMINISTRATIVE STAFF
AS OF JUNE 30, 2021**

SCHOOL BOARD MEMBERS

TERM EXPIRES

Suzette Carmen, President	2022
Richard Dase, Vice-President	2021
Madeline Avery	2021
Alexa Beshara – Blauth, D.M.	2021
Ebenezer O-A Bilewu, DC	2023
Belinda Chester	2022
Susan Coll-Guedes	2023
James Gentile	2022
Sherri Parmenter, Ed. D.	2023

ADMINISTRATIVE STAFF

Annette C. Giaquinto, Ed.D Superintendent of Schools
Joy N. Nixon, CPA, MBA , Board Secretary, School Business Administrator

PRINCIPALS
ELEMENTARY SCHOOLS

Arthur Rann	Kevin McGloin
Pomona	Donald Gross,Ed.D.
Reeds Road	Kevin Lightcap
Roland Rogers	Robin Moore, Ed.D.
Smithville	David Ragazzi, Ed.D.

MIDDLE SCHOOL

Galloway Township Middle School	Paula Junker
---------------------------------	--------------

**GALLOWAY TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Audit Firm

**Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043**

Attorney

**Amy Houck Elco, Esq.
Cooper Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, NJ 08401**

Architect

**Fraytak Veisz Hopkins Duthie, P.C.
1515 Lower Ferry Road
Trenton, NJ 08628**

Official Depository

**TD Bank
347 E. Jimmie Leeds Road
Galloway, NJ 08205**

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Galloway School District
County of Atlantic
101 South Reeds Road
Galloway, New Jersey 08205

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 84, funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Lastly, during the fiscal year ended June 30, 2021, the School District became aware of a discrepancy in food service accounts receivable balances, recorded in the prior fiscal year. As a result, the School District has restated net position as of July 1, 2020 on the statement of activities and statement of revenues, expenses, and changes in fund net position to reflect the proper amount of these assets, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

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 information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as 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 Matters (Cont'd)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Galloway School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected 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 March 8, 2022 on our consideration of the Township of Galloway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Galloway School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Galloway School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Galloway School District
County of Atlantic
101 South Reeds Road
Galloway, New Jersey 08205

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with 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 each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 8, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the incorrect recording of food service accounts receivable in the prior year.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Township of Galloway School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
March 8, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The management's discussion and analysis of Galloway Township School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2021:

- The assets of the Galloway Township School District exceeded its liabilities at the close of the fiscal year by \$19,891,476 (net position).
- The School District's total net position increased by \$556,539. This increase is primarily attributable to the Galloway Township School District's increase in GASB 68 & 75 reported revenue.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$14,648,271, a decrease of \$245,246 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$709,356, which is an increase of \$1,457,594 in comparison with the prior year.
- The Galloway Township School District's bonded debt decreased by (\$169,000).
- During the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standard Board (GASB) Statement No. 84 – *Fiduciary Activities*. The notes to the financial statements provide a more thorough discussion of the implementation of this GASB Statement and the effects to the financial statements. Because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 have been restated, however, for the purpose of this management's discussion and analysis, they were shown as originally reported.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 School District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the government-wide statements.
- Governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the School District operates like businesses, such as food services.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services, child care services, gifted and talented consortium services and community education services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has two kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services, child care services, gifted and talented consortium services and community education services.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2021 and 2020.

TABLE 1				
Net Position				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 18,155,338	\$ 17,553,317	\$ 602,022	3.43%
Capital Assets, net	<u>28,132,312</u>	<u>27,873,632</u>	<u>258,680</u>	<u>0.93%</u>
Total Assets	<u>46,287,650</u>	<u>45,426,948</u>	<u>860,702</u>	<u>1.89%</u>
Deferred Outflows of Resources:				
Related to Pensions	<u>4,046,668</u>	<u>5,063,660</u>	<u>(1,016,992)</u>	<u>-20.08%</u>
Deferred Outflows of Resources - Related to Pensions	<u>4,046,668</u>	<u>5,063,660</u>	<u>(1,016,992)</u>	<u>-20.08%</u>
Liabilities:				
Long-Term Liabilities	19,757,699	21,636,035	(1,878,336)	-8.68%
Other Liabilities	<u>3,526,590</u>	<u>2,641,156</u>	<u>885,434</u>	<u>33.52%</u>
Total Liabilities	<u>23,284,289</u>	<u>24,277,191</u>	<u>(992,902)</u>	<u>-4.09%</u>
Deferred Inflow of Resources - Related to Pensions	<u>7,158,553</u>	<u>6,878,480</u>	<u>280,073</u>	<u>4.07%</u>
Net Position:				
Net Investment in Capital Assets	27,470,279	26,851,598	618,680	2.30%
Restricted	12,827,559	13,884,056	(1,056,497)	-7.61%
Unrestricted (Deficit)	<u>(20,406,361)</u>	<u>(21,400,717)</u>	<u>994,356</u>	<u>-4.65%</u>
Total Net Position	<u>\$ 19,891,477</u>	<u>\$ 19,334,937</u>	<u>\$ 556,539</u>	<u>2.88%</u>

Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Net Position.

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2021</u>	<u>June 30, 2020*</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 4,046,668	\$ 5,063,660	\$ (1,016,992)	-20.08%
Less: Net Pension Liability	(16,908,661)	(18,417,484)	1,508,823	8.19%
Less: Deferred Inflows Related to Pensions	<u>(7,158,553)</u>	<u>(6,878,480)</u>	<u>(280,073)</u>	<u>-4.07%</u>
	<u>\$ (20,020,546)</u>	<u>\$ (20,232,304)</u>	<u>\$ 211,758</u>	<u>1.05%</u>

* As Originally Reported

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2021 and 2020.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2021</u>	<u>June 30, 2020*</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,303,853	\$ 1,809,836	\$ (505,982)	-27.96%
Operating Grants and Contributions	31,053,742	19,494,014	11,559,728	59.30%
General Revenues:				
Property Taxes	33,995,112	33,335,839	659,273	1.98%
Grants and Contributions	27,237,195	26,404,570	832,625	3.15%
Other	1,221,996	1,103,565	118,431	10.73%
Total Revenues	94,811,899	82,147,824	12,664,075	15.42%
Expenses:				
Instruction:				
Regular	17,271,860	17,713,813	(441,953)	-2.49%
Special Education	12,712,142	10,642,230	2,069,912	19.45%
Other Special Instruction	2,070,622	1,654,161	416,462	25.18%
Other Instruction	26,614	86,166	(59,551)	-69.11%
Tuition	1,417,219	1,678,638	(261,418)	-15.57%
Student Services:				
Student and Instruction Related	8,457,413	7,462,237	995,175	13.34%
School Administrative Services	1,935,308	1,980,957	(45,649)	-2.30%
Other Administrative Services	1,796,310	1,666,138	130,172	7.81%
Plant Operations and Maintenance	6,113,360	5,067,348	1,046,012	20.64%
Pupil Transportation	4,317,635	3,906,639	410,995	10.52%
Unallocated Benefits	33,242,279	25,802,227	7,440,052	28.83%
Reimbursed TPAF Pension and Social Security	2,019,095	1,967,212	51,883	2.64%
Transfer to Charter Schools	656,112	464,736	191,376	41.18%
Interest on Long-Term Debt	25,885	33,913	(8,028)	-23.67%
Unallocated Depreciation	4,043	4,443	-399.90	-9.00%
Food Service	1,975,326	2,057,092	(81,766)	-3.97%
Childcare Program	383,870	341,601	42,269	12.37%
Gifted and Talented Consortium	495	27,666	(27,171)	-98.21%
Community Education	4,772	21,796	(17,023)	-78.10%
Total Expenses	94,430,359	82,579,011	11,851,348	14.35%
Increase (Decrease) in Net Position	381,541	(431,187)	812,727	-188.49%
Beginning Net Position, As Presiously Reported	19,334,937	19,766,124	(431,187)	-2.18%
Prior Period Adjustment	174,998		174,998	
Beginning Net Position, As Restated	19,509,935	19,766,124	(256,189)	-1.30%
Ending Net Position	\$ 19,891,476	\$ 19,334,937	\$ 556,539	2.88%

* As Originally Reported

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2020-2021, Governmental Activities Revenues were \$92,345,242 or 97.40% of total revenues.

In 2019-2020, Governmental Activities Revenues were \$79,745,927 or 97.08% of total revenues.

The \$12,599,315 increase in Governmental Activities Revenues from FY 2019-2020 to FY 2020-2021 was mainly related to the revenues associated with GASB 75.

In 2020-2021, General Revenues - Property Taxes of \$33,995,112 made up 35.86%, and General Revenues – Federal and State Aid of \$27,237,195 made up 28.73% of total revenues.

In 2019-2020, General Revenues - Property Taxes of \$33,335,839 made up 40.58%, and General Revenues – Federal and State Aid of \$26,404,571 made up 32.14% of total revenues.

In 2020-2021, the School District's Governmental Activities expenditures increased by \$11,851,348 or 14.35%. This increase was mainly the result of Unallocated Benefits increasing due GASB 68 & 75 reported expenses.

Business-Type Activities

In 2020-2021 Business-Type Activities Revenues were \$2,466,656 or 2.60% of total revenues. In 2019-2020 Business-Type Activities Revenues were \$2,401,898 or 2.92% of total revenues.

Charges for Services for Business-Type Activities were \$292,761 in 2020-2021 compared to \$833,435 in 2019-2020, a 64.87% decrease.

Expenses for Business-Type Activities were \$2,364,463 in 2020-2021 compared to \$2,448,153 in 2019-2020, a 3.42% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$60,740,789.

The 2020-2021 General Fund Tax Levy was \$33,872,502, an increase of \$664,167 or 2.00% from the 2019-2020 General Fund Tax Levy of \$33,208,335.

During fiscal year 2021, the School District budgeted \$33,872,502 for property taxes (local tax levy), \$25,995,659 for state revenues and \$172,128 for federal revenues.

The School District also received \$2,016,320 and \$9,741,576 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions, respectively. The Galloway Township School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions of \$2,016,320 and \$9,741,576, respectively.

The final budgetary basis expenditure appropriation estimate was \$66,296,809, which was \$447,012 more than the original budget.

Township of Galloway School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021
 (Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$14,648,271, a decrease of \$245,246 in comparison with the prior year.

Of the combined ending fund balances of \$14,648,271, \$238,408 constitutes unassigned fund balance deficits. The remainder of fund balance of \$14,886,679 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$1,052,514 in unrestricted net position.

CAPITAL ASSETS

The Galloway Township School District's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$28,199,073 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment. There was a net increase in the Galloway Township School District's investment in capital assets for the current fiscal year of 0.93%. The net increase was the result of construction in progress additions. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 3,471,769	\$ 3,471,769
Construction in Progress	2,155,973	1,018,755
Land Improvements	193,798	221,445
Building and Improvements	21,617,877	22,331,897
Furniture, Fixtures and Equipment	<u>692,895</u>	<u>829,765</u>
 Total Capital Assets	 <u>\$ 28,132,312</u>	 <u>\$ 27,873,632</u>

Depreciation expense was \$2,286,132 for fiscal year ended 2021 and \$2,212,368 for fiscal year ended 2020.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Galloway Township School District had total bonded debt outstanding of \$507,000. The entire Galloway Township School District's bonded debt is governmental as opposed to business-type. The 2022 adopted budget has an appropriation of \$169,000 representing the payment of the annual principal. The 2009 refunding bonds will mature on March 1, 2024.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2020-2021 school year, the Galloway Township School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 35.86% of total revenue is from local tax levy and 28.73% percent of the Galloway Township School District's revenue is from general revenue - federal and state aid (restricted and not restricted).

In conclusion, the Galloway Township Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Galloway Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joy N. Nixon, CPA, MBA, Business Administrator / Board Secretary at the Galloway Township School District, 101 S. Reeds Road, Galloway, New Jersey 08205.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 11,498,558.94	\$ 1,192,180.11	\$ 12,690,739.05
Receivables, net	3,515,535.09	298,952.85	3,814,487.94
Restricted Cash and Cash Equivalents	1,625,414.23		1,625,414.23
Inventory (Note 5)		24,697.19	24,697.19
Capital Assets, net (Note 6)	<u>27,974,191.34</u>	<u>158,120.21</u>	<u>28,132,311.55</u>
Total Assets	<u>44,613,699.60</u>	<u>1,673,950.36</u>	<u>46,287,649.96</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>4,046,668.00</u>	<u>-</u>	<u>4,046,668.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	1,221,163.00		1,221,163.00
Other	1,785,038.66	4,556.56	1,789,595.22
Internal Balances	(269,243.12)	269,243.12	
Payable to Other Governments	45,813.35		45,813.35
Accrued Interest	13,999.52		13,999.52
Unearned Revenue	429,628.78	26,389.67	456,018.45
Noncurrent Liabilities (Note 7):			
Due within One Year	687,973.08	32,625.31	720,598.39
Due beyond One Year	<u>18,906,599.58</u>	<u>130,501.25</u>	<u>19,037,100.83</u>
Total Liabilities	<u>22,820,972.85</u>	<u>463,315.91</u>	<u>23,284,288.76</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>7,158,553.00</u>	<u>-</u>	<u>7,158,553.00</u>
NET POSITION:			
Net Investment in Capital Assets	27,312,158.54	158,120.21	27,470,278.75
Restricted for:			
Unemployment Compensation	180,896.54		180,896.54
Student Activities	92,025.62		92,025.62
Capital Projects	5,056,046.64		5,056,046.64
Other Purposes	7,498,589.96		7,498,589.96
Unrestricted (Deficit)	<u>(21,458,875.55)</u>	<u>1,052,514.24</u>	<u>(20,406,361.31)</u>
Total Net Position	<u>\$ 18,680,841.75</u>	<u>\$ 1,210,634.45</u>	<u>\$ 19,891,476.20</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 17,271,859.78	\$ 582,425.57			\$ (16,689,434.21)		\$ (16,689,434.21)
Special Education	12,712,141.91	428,667.01	\$ 3,861,021.89		(8,422,453.01)		(8,422,453.01)
Other Special Instruction	2,070,622.44				(2,070,622.44)		(2,070,622.44)
Other Instruction	26,614.19				(26,614.19)		(26,614.19)
Tuition	1,417,219.35		473,817.44		(943,401.91)		(943,401.91)
Support Services:							
Student and Instruction Related Services	8,457,412.60		2,639,179.46		(5,818,233.14)		(5,818,233.14)
School Administrative Services	1,935,307.83				(1,935,307.83)		(1,935,307.83)
Other Administrative Services	1,796,309.65				(1,796,309.65)		(1,796,309.65)
Plant Operations and Maintenance	6,113,359.79		22,140.00		(6,091,219.79)		(6,091,219.79)
Pupil Transportation	4,317,634.51		248,514.00		(4,069,120.51)		(4,069,120.51)
Unallocated Benefits	33,242,278.82		19,631,677.69		(13,610,601.13)		(13,610,601.13)
Reimbursed TPAF and Social Security	2,019,094.59		2,019,094.59				
Transfer to Charter School	656,112.00				(656,112.00)		(656,112.00)
Interest on Long-Term Debt	25,885.03		12,533.61		(13,351.42)		(13,351.42)
Unallocated Depreciation	4,042.64				(4,042.64)		(4,042.64)
Total Governmental Activities	92,065,895.13	1,011,092.58	28,907,978.68	-	(62,146,823.87)	-	(62,146,823.87)
Business-Type Activities:							
Food Service	1,975,326.38	43,800.47	2,145,763.70			\$ 214,237.79	214,237.79
Childcare Program	383,869.96	234,860.19				(149,009.77)	(149,009.77)
Gifted and Talented Consortium	494.80					(494.80)	(494.80)
Community Education	4,772.24	14,100.00				9,327.76	9,327.76
Total Business-Type Activities	2,364,463.38	292,760.66	2,145,763.70	-	-	74,060.98	74,060.98
Total Government	\$ 94,430,358.51	\$ 1,303,853.24	\$ 31,053,742.38	-	(62,146,823.87)	74,060.98	(62,072,762.89)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					33,872,502.00		33,872,502.00
Taxes Levied for Debt Service					122,610.00		122,610.00
Federal and State Aid not Restricted					26,993,701.66		26,993,701.66
Federal and State Aid Restricted					243,493.42		243,493.42
Miscellaneous Income					1,193,864.14	28,132.26	1,221,996.40
Total General Revenues					62,426,171.22	28,132.26	62,454,303.48
Change in Net Position					279,347.35	102,193.24	381,540.59
Net Position -- July 1					18,141,432.12	1,193,505.26	19,334,937.38
Prior Period Adjustment					260,062.28	(85,064.05)	174,998.23
Net Position -- July 1 (Restated)					18,401,494.40	1,108,441.21	19,509,935.61
Net Position -- June 30					\$ 18,680,841.75	\$ 1,210,634.45	\$ 19,891,476.20

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 11,498,558.94	\$ 92,025.62	\$ 1,533,387.94	\$ 0.67	\$ 13,123,973.17
Receivables, net:					
Interfunds Receivable:					
Food Service Fund	63,618.83				63,618.83
Child Care	200,328.41				200,328.41
Gifted and Talented Consortium	5,295.88				5,295.88
Special Revenue Fund	805,461.39				805,461.39
Receivables from Other Governments:					
State of NJ -- FICA	100,437.50				100,437.50
State of NJ -- Extraordinary Aid	958,187.00				958,187.00
State of NJ -- Non-Public Transportation	52,695.00				52,695.00
State of NJ -- Homeless Aid	29,391.00				29,391.00
Federal Grants		1,749,704.62			1,749,704.62
Other Receivables	625,119.97				625,119.97
Total Assets	<u>\$ 14,339,093.92</u>	<u>\$ 1,841,730.24</u>	<u>\$ 1,533,387.94</u>	<u>\$ 0.67</u>	<u>\$ 17,714,212.77</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable					
Other	\$ 421,256.65	\$ 707,208.77	\$ 208,872.30		\$ 1,337,337.72
Unemployment Compensation Claims Payable	2,496.87				2,496.87
Payroll Deductions and Withholdings Payable	445,204.07				445,204.07
Interfunds Payable:					
General Fund		805,461.39			805,461.39
Payable to State Government		44,908.00			44,908.00
Payable to Federal Government		905.35			905.35
Unearned Revenue		429,628.78			429,628.78
Total Liabilities	<u>868,957.59</u>	<u>1,988,112.29</u>	<u>208,872.30</u>	<u>-</u>	<u>3,065,942.18</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	3,731,531.00				3,731,531.00
Maintenance Reserve	2,551,531.00				2,551,531.00
Emergency Reserve	542,563.00				542,563.00
Excess Surplus	2,112,441.38				2,112,441.38
Excess Surplus -- Designated for Subsequent Year's Expenditures	2,292,054.58				2,292,054.58
Unemployment Compensation	180,896.54				180,896.54
Student Activities		92,025.62			92,025.62
Capital Projects - Designated for Subsequent Year's Expenditures			1,324,515.64		1,324,515.64
Debt Service				\$ 0.67	0.67
Assigned:					
Other Purposes	916,892.07				916,892.07
Subsequent Year's Expenditures	432,870.42				432,870.42
Unassigned (Deficit)	709,356.34	(238,407.67)			470,948.67
Total Fund Balances	<u>13,470,136.33</u>	<u>(146,382.05)</u>	<u>1,324,515.64</u>	<u>0.67</u>	<u>14,648,270.59</u>
Total Liabilities and Fund Balances	<u>\$ 14,339,093.92</u>	<u>\$ 1,841,730.24</u>	<u>\$ 1,533,387.94</u>	<u>\$ 0.67</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in funds. The cost of the assets is \$70,209,903.54 and the accumulated depreciation is \$42,235,712.20.	27,974,191.34
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(19,594,572.66)
Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(13,999.52)
Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,221,163.00)
Deferred Outflows of Resources - Related to Pensions	4,046,668.00
Deferred Inflows of Resources - Related to Pensions	(7,158,553.00)

Net position of governmental activities \$ 18,680,841.75

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 33,872,502.00			\$ 122,610.00	\$ 33,995,112.00
Tuition Charges	1,011,092.58				1,011,092.58
Miscellaneous	1,193,864.14	\$ 31,766.35			1,225,630.49
State Sources	38,496,346.09	3,649,295.47	\$ 173,279.23	78,500.00	42,397,420.79
Federal Sources	255,251.16	4,185,431.46			4,440,682.62
Total Revenues	74,829,055.97	7,866,493.28	173,279.23	201,110.00	83,069,938.48
EXPENDITURES:					
Regular Instruction	16,142,916.11				16,142,916.11
Special Education Instruction	7,925,127.26	3,956,108.63			11,881,235.89
Other Special Instruction	2,070,622.44				2,070,622.44
Other Instruction	26,614.19				26,614.19
Tuition	943,401.91	473,817.44			1,417,219.35
Support Services and Undistributed Costs:					
Student and Instruction Related Services	5,799,691.98	2,650,567.86			8,450,259.84
School Administrative Services	1,891,748.23				1,891,748.23
Other Administrative Services	1,989,921.30				1,989,921.30
Plant Operations and Maintenance	5,856,715.95	22,140.00			5,878,855.95
Pupil Transportation	4,069,120.51	248,514.00			4,317,634.51
Unallocated Benefits	13,735,483.13	617,572.69			14,353,055.82
Reimbursed TPAF Pension and Social Security	11,757,895.59				11,757,895.59
Transfer to Charter School	656,112.00				656,112.00
Debt Service:					
Principal				169,000.00	169,000.00
Interest and Other Charges				32,110.00	32,110.00
Capital Outlay	137,696.00	4,247.80	2,398,101.25		2,540,045.05
Total Expenditures	73,003,066.60	7,972,968.42	2,398,101.25	201,110.00	83,575,246.27
Excess (Deficiency) of Revenues over Expenditures	1,825,989.37	(106,475.14)	(2,224,822.02)	-	(505,307.79)
OTHER FINANCING SOURCES (USES):					
Operating Transfer -- Capital Reserve to Capital Projects Fund	(461,100.00)	-	461,100.00	-	-
Net Change in Fund Balances	1,364,889.37	(106,475.14)	(1,763,722.02)	-	(505,307.79)
Fund Balance -- July 1	11,929,213.94	(123,936.17)	3,088,237.66	0.67	14,893,516.10
Prior Period Adjustments	176,033.02	84,029.26	-	-	260,062.28
Fund Balance (Deficit) -- July 1, Restated	12,105,246.96	(39,906.91)	3,088,237.66	0.67	15,153,578.38
Fund Balance (Deficit) -- June 30	\$ 13,470,136.33	\$ (146,382.05)	\$ 1,324,515.64	\$ 0.67	\$ 14,648,270.59

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds		\$ (505,307.79)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (2,262,087.42)	
Capital Outlays	<u>2,540,045.05</u>	
		277,957.63
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		169,000.00
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		187,429.19
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest adjustment is a reduction in the reconciliation. (+)		8,836.00
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Bond Premiums		3,571.43
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		12,978.89
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>124,882.00</u>
Change in Net Position of Governmental Activities		<u>\$ 279,347.35</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Proprietary Funds
 Business Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2021

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 104,411.87	\$ 959,283.60	\$ 73,679.95	\$ 54,804.69	\$ 1,192,180.11
Accounts Receivable:					
Federal	295,407.51				295,407.51
Other		3,545.34			3,545.34
Inventories	24,697.19				24,697.19
Total Current Assets	424,516.57	962,828.94	73,679.95	54,804.69	1,515,830.15
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	792,237.07				792,237.07
Less Accumulated Depreciation	(634,116.86)				(634,116.86)
Total Noncurrent Assets	158,120.21	-	-	-	158,120.21
Total Assets	582,636.78	962,828.94	73,679.95	54,804.69	1,673,950.36
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	63,618.83	200,328.41	5,295.88		269,243.12
Compensated Absences	32,625.31				32,625.31
Accounts Payable	4,556.56				4,556.56
Unearned Revenue	26,389.67				26,389.67
Total Current Liabilities	127,190.37	200,328.41	5,295.88	-	332,814.66
Noncurrent Liabilities:					
Compensated Absences	130,501.25	-	-	-	130,501.25
Total Liabilities	257,691.62	200,328.41	5,295.88	-	463,315.91
NET POSITION:					
Net Investment in Capital Assets	158,120.21				158,120.21
Unrestricted	166,824.95	762,500.53	68,384.07	54,804.69	1,052,514.24
Total Net Position	\$ 324,945.16	\$ 762,500.53	\$ 68,384.07	\$ 54,804.69	\$ 1,210,634.45

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021

	Food Service	Child Care Program	Gifted and Talented Consortium	Community Education	Total
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 32,550.47				\$ 32,550.47
Community Service Activities		\$ 234,860.19		\$ 14,100.00	248,960.19
Total Operating Revenues	32,550.47	234,860.19	-	14,100.00	281,510.66
OPERATING EXPENSES:					
Salaries	963,118.79	267,327.09		2,640.00	1,233,085.88
Employee Benefits	262,371.01	25,833.01		201.97	288,405.99
Purchased Property Services	19,746.16	50,000.00			69,746.16
Purchased Professional and Technical Services	7,989.00	908.97			8,897.97
General Supplies	38,834.21	19,679.71	\$ 494.80	1,343.06	60,351.78
Depreciation	24,044.86				24,044.86
Cost of Sales - Reimbursable Programs	633,199.78				633,199.78
Cost of Sales - Non-Reimbursable Programs	22,452.42				22,452.42
Miscellaneous	2,879.66	20,121.18		587.21	23,588.05
Total Operating Expenses	1,974,635.89	383,869.96	494.80	4,772.24	2,363,772.89
Operating Income / (Loss)	(1,942,085.42)	(149,009.77)	(494.80)	9,327.76	(2,082,262.23)
NONOPERATING REVENUES (EXPENSES):					
Federal Sources:					
After School Snack Program	8,328.00				8,328.00
Food Distribution Program	68,562.41				68,562.41
Summer Food Service Program - Breakfast & Lunch	1,779,936.02				1,779,936.02
Summer Food Service Program - Admin	182,484.27				182,484.27
School Programs Emergency Operational Costs	103,390.00				103,390.00
P-EBT Admin Cost Reimb	3,063.00				3,063.00
Local Sources:					
Administrative Fee	11,250.00				11,250.00
Interest Revenue	3,103.91	22,396.82	1,640.97	990.56	28,132.26
Interest Expense	(690.49)				(690.49)
Total Nonoperating Revenues (Expenses)	2,159,427.12	22,396.82	1,640.97	990.56	2,184,455.47
Change in Net Position	217,341.70	(126,612.95)	1,146.17	10,318.32	102,193.24
Net Position -- July 1	192,667.51	889,113.48	67,237.90	44,486.37	1,193,505.26
Prior Period Adjustment	(85,064.05)				(85,064.05)
Net Position -- July 1 (Restated)	107,603.46	889,113.48	67,237.90	44,486.37	1,108,441.21
Net Position -- June 30	\$ 324,945.16	\$ 762,500.53	\$ 68,384.07	\$ 54,804.69	\$ 1,210,634.45

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Food Service	Child Care Program	Gifted and Talented Consortium	Community Education	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 35,769.75	\$ 235,283.19		\$ 14,100.00	\$ 285,152.94
Payments to Employees	(949,626.92)	(267,327.09)		(2,640.00)	(1,219,594.01)
Payments for Employee Benefits	(262,371.01)	(25,833.01)		(201.97)	(288,405.99)
Payments to Suppliers	(711,157.03)	(90,709.86)	\$ (494.80)	(1,930.27)	(804,291.96)
Net Cash Provided by (used for) Operating Activities	<u>(1,887,385.21)</u>	<u>(148,586.77)</u>	<u>(494.80)</u>	<u>9,327.76</u>	<u>(2,027,139.02)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	474.93				474.93
Federal Sources	1,916,524.09				1,916,524.09
Local Sources	15,000.00				15,000.00
Operating Subsidies and Transfers to Other Funds		50,000.00			50,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,931,999.02</u>	<u>50,000.00</u>	<u>-</u>	<u>-</u>	<u>1,981,999.02</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of Capital Assets	(4,767.10)				(4,767.10)
Payment of Capital Lease	(10,716.00)				(10,716.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(15,483.10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,483.10)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	3,103.91	22,396.82	1,640.97	990.56	28,132.26
Net Increase (Decrease) in Cash and Cash Equivalents	32,234.62	(76,189.95)	1,146.17	10,318.32	(32,490.84)
Cash and Cash Equivalents -- July 1	72,177.25	1,035,473.55	72,533.78	44,486.37	1,224,670.95
Cash and Cash Equivalents -- June 30	<u>\$ 104,411.87</u>	<u>\$ 959,283.60</u>	<u>\$ 73,679.95</u>	<u>\$ 54,804.69</u>	<u>\$ 1,192,180.11</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	<u>\$ (1,942,085.42)</u>	<u>\$ (149,009.77)</u>	<u>\$ (494.80)</u>	<u>\$ 9,327.76</u>	<u>\$ (2,082,262.23)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation and Net Amortization	24,044.86				24,044.86
(Increase) Decrease in Accounts Receivable, net	6,796.90	423.00			7,219.90
(Increase) Decrease in Inventories	9,387.63				9,387.63
Increase (Decrease) in Accounts Payable	3,771.42				3,771.42
Increase (Decrease) in Unearned Revenue	(3,577.62)				(3,577.62)
Increase (Decrease) in Interfund Payable	785.15				785.15
Increase (Decrease) in Compensated Absences	13,491.87				13,491.87
Total Adjustments	<u>54,700.21</u>	<u>423.00</u>	<u>-</u>	<u>-</u>	<u>55,123.21</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,887,385.21)</u>	<u>\$ (148,586.77)</u>	<u>\$ (494.80)</u>	<u>\$ 9,327.76</u>	<u>\$ (2,027,139.02)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 68,562.41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 68,562.41</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Galloway School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre K through eight at its six schools. The School District has an approximate enrollment at June 30, 2021 of 3,330.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has determined that the following organization is not considered a component unit, and there fore has not been included in the basic financial statements:

Galloway Township Education Foundation
Post Office Box 728
Galloway, New Jersey 08205

Complete financial statements of the individual component units can be obtained from their administrative offices.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Atlantic County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Gifted and Talented Fund - This fund accounts for the financial activity related to educational programs.

Child Care Fund - This fund accounts for the financial activity related to providing day care services for School District students before school and after school.

Community Education Fund - This fund accounts for financial activity related to providing education services to residents in the school district.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Cash, Cash Equivalents and Investments

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

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

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The School District had no prepaid expenses for the fiscal year ended June 30, 2021.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 15 Years
Buildings and Improvements	15 - 50 Years
Land Improvements	15 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation 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 creditors, grantors or laws or regulations of other governments.

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

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

Fund Balance

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

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

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting 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 accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 21).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2021, the School District's bank balances of \$17,122,191.87 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 16,760,949.19
Uninsured and uncollaterized	<u>361,242.68</u>
Total	<u><u>\$ 17,122,191.87</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 1 of 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 3,129,538.42
Increased by:	
Transfer per June 28, 2021 Resolution	\$ 1,000,000.00
Interest Earnings	<u>63,092.58</u>
	<u>1,063,092.58</u>
	4,192,631.00
Decreased by:	
Withdrawals	<u>461,100.00</u>
Ending Balance, June 30, 2021	<u><u>\$ 3,731,531.00</u></u>

The June 30, 2021 LRFP balance of local support costs of uncompleted projects at June 30, 2021 is \$4,783,735.73. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Child Care Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 1,749,704.62	\$ 1,749,704.62	\$ 295,407.51		\$ 295,407.51	\$ 2,045,112.13
State Awards	\$ 1,140,710.50		1,140,710.50				1,140,710.50
Other	625,119.97		625,119.97		\$ 3,545.34	3,545.34	628,665.31
	<u>\$ 1,765,830.47</u>	<u>\$ 1,749,704.62</u>	<u>\$ 3,515,535.09</u>	<u>\$ 295,407.51</u>	<u>\$ 3,545.34</u>	<u>\$ 298,952.85</u>	<u>\$ 3,814,487.94</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2021 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 13,477.64
Supplies	<u>11,219.55</u>
	<u>\$ 24,697.19</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	<u>Balance July 01, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 3,471,768.96			\$ 3,471,768.96
Construction in Progress	1,018,755.34	\$ 2,472,442.75	\$ (1,335,225.56)	2,155,972.53
Total Capital Assets, not being Depreciated	<u>4,490,524.30</u>	<u>2,472,442.75</u>	<u>(1,335,225.56)</u>	<u>5,627,741.49</u>
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	2,362,644.69	61,802.30		2,424,446.99
Buildings and Improvements	60,334,287.51	5,800.00	1,335,225.56	61,675,313.07
Land Improvements	482,401.99			482,401.99
Total Capital Assets, being Depreciated	<u>63,179,334.19</u>	<u>67,602.30</u>	<u>1,335,225.56</u>	<u>64,582,162.05</u>
Total Capital Assets, Cost	<u>67,669,858.49</u>	<u>2,540,045.05</u>	<u>-</u>	<u>70,209,903.54</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(1,710,278.03)	(179,394.32)		(1,889,672.35)
Buildings and Improvements	(38,002,390.14)	(2,055,046.13)		(40,057,436.27)
Land Improvements	(260,956.61)	(27,646.97)		(288,603.58)
Total Accumulated Depreciation	<u>(39,973,624.78)</u>	<u>(2,262,087.42)</u>	<u>-</u>	<u>(42,235,712.20)</u>
Total Capital Assets, being Depreciated, Net	<u>23,205,709.41</u>	<u>(2,194,485.12)</u>	<u>1,335,225.56</u>	<u>22,346,449.85</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,696,233.71</u>	<u>\$ 277,957.63</u>	<u>-</u>	<u>\$ 27,974,191.34</u>
	<u>Balance July 01, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 787,469.97	\$ 4,767.10		\$ 792,237.07
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(610,072.00)	(24,044.86)		(634,116.86)
Business-Type Activities Capital Assets, Net	<u>\$ 177,397.97</u>	<u>\$ (19,277.76)</u>	<u>-</u>	<u>\$ 158,120.21</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Instruction	\$ 1,972,828.58
Support Service Instructional Staff	7,152.76
School Administration	43,559.60
Plant Operations and Maintenance	234,503.84
Unallocated	4,042.64

Total Depreciation Expense - Governmental Activities	<u>\$ 2,262,087.42</u>
--	------------------------

Business-Type Activities:

Food Service Fund	<u>\$ 24,044.86</u>
-------------------	---------------------

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

Governmental Activities:	Balance July 01, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 676,000.00		\$ (169,000.00)	\$ 507,000.00	\$ 169,000.00
Adjusted by:					
Bond Premiums	14,285.72		(3,571.43)	10,714.29	
Total Bonds Payable	<u>690,285.72</u>	<u>-</u>	<u>(172,571.43)</u>	<u>517,714.29</u>	<u>169,000.00</u>
Other Liabilities:					
Net Pension Liability	18,417,484.00	\$ 10,713,389.00	(12,222,212.00)	16,908,661.00	
Obligations under Capital Lease	331,747.70		(187,429.19)	144,318.51	114,197.31
Compensated Absences	2,036,857.75	394,392.66	(407,371.55)	2,023,878.86	404,775.77
Total Other Liabilities	<u>20,786,089.45</u>	<u>11,107,781.66</u>	<u>(12,817,012.74)</u>	<u>19,076,858.37</u>	<u>518,973.08</u>
Governmental Activities Long-Term Liabilities	<u>\$ 21,476,375.17</u>	<u>\$ 11,107,781.66</u>	<u>\$ (12,989,584.17)</u>	<u>\$ 19,594,572.66</u>	<u>\$ 687,973.08</u>

The bonds payable are generally liquidated by the debt service fund, while compensated absences, obligations under capital lease and net pension liability, are liquidated by the general fund.

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for business-type activities:

Business-Type Activities:	Balance July 01, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Other Liabilities:					
Compensated Absences	\$ 149,634.69	\$ 43,418.82	\$ (29,926.94)	\$ 163,126.57	\$ 32,625.31
Obligations under Capital Lease	10,025.51		(10,025.51)		
Business-Type Activities Long-Term Liabilities	<u>\$ 159,660.20</u>	<u>\$ 43,418.82</u>	<u>\$ (39,952.45)</u>	<u>\$ 163,126.57</u>	<u>\$ 32,625.31</u>

Compensated absences are liquidated by the food service enterprise fund.

Note 7: LONG-TERM LIABILITIES (CONT'D)

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

On July 1, 2009, the School District issued \$2,366,000.00 of School Bonds at interest rates varying from 4.625% to 4.75% to fund the cost of various capital improvements. The final maturity of these bonds is March 1, 2024. The bonds will be paid from state aid and property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 169,000.00	\$ 24,082.50	\$ 193,082.50
2023	169,000.00	16,055.00	185,055.00
2024	169,000.00	8,027.50	177,027.50
	<u>\$ 507,000.00</u>	<u>\$ 48,165.00</u>	<u>\$ 555,165.00</u>

Bonds Authorized but not Issued - As of June 30, 2021, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing maintenance equipment and computer equipment totaling \$951,544.49 under capital leases for the general government. All capital leases are for terms of four to five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

General Government

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 114,197.31	\$ 6,336.49	\$ 120,533.80
2023	30,121.20	1,525.26	31,646.46
	<u>\$ 144,318.51</u>	<u>\$ 7,861.75</u>	<u>\$ 152,180.26</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Postemployment Benefits - For details on other postemployment benefits, refer to note 10. The School District's contributions to the postemployment benefits plan are budgeted and paid from the general fund.

Note 8: OPERATING LEASES

At June 30, 2021, the School District had operating lease agreements in effect for copy machines, mail machines, and chromebooks. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year	
<u>Ending June 30,</u>	<u>Amount</u>
2022	\$ 261,317.16
2023	219,336.66
2024	103,281.40
2025	14,131.50
	<u>\$ 598,066.72</u>

Rental payments under operating leases for the fiscal year ended June 30, 2021 were \$261,317.16.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were 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.

Public Employees' Retirement System - 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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 service credit before age 62 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.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 19.74% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$5,552,154.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$2,135,225.99.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 15.85% of the School 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.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$1,134,285.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$585,619.22.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program (Cont'd) - For the fiscal year ended June 30, 2021, employee contributions totaled \$48,542.92, and the School District recognized pension expense, which equaled the required contributions, of \$33,289.55. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District		161,340,743.00
		<u>\$ 161,340,743.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .2450169943%, which was a decrease of .0043293054% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized \$10,032,854.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2021, the School District reported a liability of \$16,908,661.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was .1036871385%, which was an increase of .0014727411% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized pension expense of \$1,009,404.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2021, the School 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	\$ 307,879.00	\$ 59,796.00
Changes of Assumptions	548,536.00	7,079,816.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	577,952.00	
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	1,391,138.00	18,941.00
School District Contributions Subsequent to the Measurement Date	1,221,163.00	
	<u>\$ 4,046,668.00</u>	<u>\$ 7,158,553.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$1,221,163.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2022	\$ (1,528,727.00)
2023	(1,472,503.00)
2024	(861,418.00)
2025	(384,003.00)
2026	<u>(86,397.00)</u>
	<u><u>\$ (4,333,048.00)</u></u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

For TPAF, 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-2020.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% 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 2062. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>189,513,598.00</u>	<u>161,340,743.00</u>	<u>137,947,916.00</u>
	<u>\$ 189,513,598.00</u>	<u>\$ 161,340,743.00</u>	<u>\$ 137,947,916.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 21,452,557.00</u>	<u>\$ 16,908,661.00</u>	<u>\$ 13,298,820.00</u>

Pension Plan Fiduciary Net Position

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<hr/>
	366,108
	<hr/> <hr/>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$177,452,316.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .2616906265%, which was an increase of .0056482639% from its proportion measured as of June 30, 2019.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 4.45%	3.00 - 7.00%	Applied to all Future Years

* based on service years

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Experience Studies - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Discount Rate - The discount rate for June 30, 2020 measurement date was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2020		\$ 106,844,125.00
Changes for the Year:		
Service Cost	\$ 4,418,996.00	
Interest Cost	3,842,236.00	
Difference between Expected and Actual Experience	32,928,181.00	
Changes in Assumptions	32,414,440.00	
Member Contributions	93,637.00	
Gross Benefit Payments	<u>(3,089,299.00)</u>	
Net Changes		<u>70,608,191.00</u>
Balance at June 30, 2021		<u>\$ 177,452,316.00</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Differences between expected and actual experience reflect an increase in liability from June 30, 2019 to June 30, 2020 due to changes in the census, claims, and premiums experience.

Changes in assumptions reflect an increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 213,927,926.00</u>	<u>\$ 177,452,316.00</u>	<u>\$ 148,931,902.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 143,245,494.00</u>	<u>\$ 177,452,316.00</u>	<u>\$ 218,185,039.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2021, the School District recognized \$8,981,251.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 26,941,884.00	\$ 23,998,872.00
Changes of Assumptions	30,184,054.00	20,248,314.00
Changes in Proportion	<u>4,809,149.00</u>	<u>873,761.00</u>
	<u>\$ 61,935,087.00</u>	<u>\$ 45,120,947.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2022	\$ 630,390.00
2023	630,390.00
2024	630,390.00
2025	630,390.00
2026	630,390.00
Thereafter	<u>13,662,190.00</u>
	<u>\$ 16,814,140.00</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$7,276,595.00, \$138,447.00, \$2,323,759.00, and \$2,775.00, respectively.

Note 12: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

Note 12: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2021		\$ 4,863.52		\$ 180,896.54
2020	\$ 65,898.38	3,882.50	\$ 71,286.10	176,033.02
2019	62,545.49	1,144.82	58,797.57	177,538.24

Joint Insurance Fund - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

Property (Including Crime and Auto Physical Damage)
 General Auto Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Pollution/Environmental Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended June 30, 2021, which can be obtained from:

School Alliance Insurance Fund
 51 Everett Drive, Suite B-40
 West Windsor, New Jersey 08550

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
 Equitable
 Siracusa
 AIG / VALIC

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days that may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$2,023,878.86 and \$163,126.57, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2021 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,074,704.51	
Special Revenue		\$ 805,461.39
Enterprise Funds		269,243.12
	<u>\$ 1,074,704.51</u>	<u>\$ 1,074,704.51</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

<u>Transfer Out:</u>	<u>Transfer In:</u> <u>Capital</u> <u>Projects Fund</u>
General Fund:	
Capital Reserve	<u>\$ 461,100.00</u>

The \$461,100.00 in aggregate transfers from the general fund to the capital projects fund is the local funding of the maintenance storage building capital project.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute 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 School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the Federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2021 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
R. Wilkinson & Sons Construction Inc. New District Maintenance/Storage Building	08/24/20	\$ 1,230,284.61
White-Harris, Inc. New District Maintenance/Storage Building	06/22/21	12,440.93
Fraytak Veisz Hopkins Duthie, P.C. Security Vestibule Renovations	10/09/19	1,950.00
New District Maintenance/Storage Building	12/10/19	2,700.00
Garozzo & Scimeca Construction Security Vestibule Renovations	06/22/20	<u>40,037.15</u>
		<u>\$ 1,287,412.69</u>

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$238,407.67 in the special revenue fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment 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 general and special revenue fund balance deficit does not alone indicate that the School 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 School District deficit in the GAAP funds statements of \$238,407.67 is less than the June state aid payments.

Note 20: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict 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, 2021 is \$2,112,441.38. Additionally, \$2,292,054.58 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2021-2022 budget.

For Capital Reserve Account - As of June 30, 2021, the balance in the capital reserve account is \$3,731,531.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2021, the balance in the maintenance reserve account is \$2,551,531.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Note 20: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd)**

For Emergency Reserve - As of June 30, 2021, the balance in the emergency reserve is \$542,563.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 12). As a result, there exists at June 30, 2021 a restricted fund balance from employer contributions in the amount of \$180,896.54 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$92,025.62.

Capital Projects Fund - On July 1, 2009, the School District issued \$2,366,000.00 of general obligation bonds pursuant to Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"). The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District at a special election held on April 21, 2009. The bond issuance was approved by the voters for installation of solar panels at the Galloway Township Middle School. In addition, the District authorized several other projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2021, the restricted fund balance amount was \$1,324,515.64.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has \$0.67 of debt service fund balance at June 30, 2021.

Note 20: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022, \$432,870.42 of general fund balance at June 30, 2021.

Other Purposes - As of June 30, 2021, the School District had \$916,892.07 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2021, \$709,356.34 of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2021, the fund balance of the special revenue fund was a deficit of \$238,407.67, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment 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 special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$238,407.67 is less than the last state aid payment.

Note 21: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. The following tables illustrate the restatements:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at July 1, 2020	\$ 18,141,432.12
Prior Period Adjustments:	
Reclassification of Net Position from Fiduciary Fund:	
Unemployment Compensation Trust	\$ 176,033.02
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>84,029.26</u>
Total Prior Period Adjustments	<u>260,062.28</u>
Net Position as Restated, July 1, 2020	<u>\$ 18,401,494.40</u>
	<u>General Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ 11,929,213.94
Prior Period Adjustments:	
Reclassification of Unemployment Compensation Trust Net Position from Fiduciary Fund	<u>176,033.02</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 12,105,246.96</u>
	<u>Special Revenue Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ (123,936.17)
Prior Period Adjustments:	
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>84,029.26</u>
Fund Balance as Restated, July 1, 2020	<u>\$ (39,906.91)</u>

Note 21: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE (CONT'D)

During the audit it was discovered that prior year Food Service accounts receivable was misstated and needed to be adjusted. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. The following table illustrates the restatement:

	Food Service Fund
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ 192,667.51
Prior Period Adjustments:	
Adjustment to Prior Year Accounts Receivable	<u>(85,064.05)</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 107,603.46</u>

Note 22: SUBSEQUENT EVENTS

COVID-19 - 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 the 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 School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 33,872,502.00		\$ 33,872,502.00	\$ 33,872,502.00	
Tuition from Other LEA's Within the State	475,000.00		475,000.00	1,011,092.58	\$ 536,092.58
Interest Earned on Emergency Reserve Funds	15.00		15.00	10,946.71	10,931.71
Interest Earned on Maintenance Reserve Funds	185.00		185.00	41,512.28	41,327.28
Interest Earned on Capital Reserve Funds	300.00		300.00	63,092.00	62,792.00
Unrestricted Miscellaneous Revenues	225,000.00		225,000.00	1,078,313.15	853,313.15
Total - Local Sources	34,573,002.00	-	34,573,002.00	36,077,458.72	1,504,456.72
State Sources:					
Categorical Transportation Aid	1,088,704.00		1,088,704.00	1,088,704.00	
Special Education Aid	1,996,732.00		1,996,732.00	1,996,732.00	
Equalization Aid	22,668,838.00	\$ (773,497.00)	21,895,341.00	21,895,341.00	
Categorical Security Aid	739,882.00		739,882.00	739,882.00	
Extraordinary Aid	275,000.00		275,000.00	958,187.00	683,187.00
Non-Public Transportation Aid				52,695.00	52,695.00
Homeless Aid				29,391.00	29,391.00
On-behalf TPAF Pension Contributions (non-budgeted)				7,276,595.00	7,276,595.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				138,447.00	138,447.00
On-behalf TPAF Medical Contributions (non-budgeted)				2,323,759.00	2,323,759.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,775.00	2,775.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,016,319.59	2,016,319.59
Total - State Sources	26,769,156.00	(773,497.00)	25,995,659.00	38,518,827.59	12,523,168.59
Federal Sources:					
SEMI Medicaid Reimbursement	172,128.00		172,128.00	227,319.28	55,191.28
Medicaid Administrative Claiming Aid				27,931.88	27,931.88
Total - Federal Sources	172,128.00	-	172,128.00	255,251.16	83,123.16
Total Revenues	61,514,286.00	(773,497.00)	60,740,789.00	74,851,537.47	14,110,748.47

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,144,205.00	\$ 23,104.00	\$ 1,167,309.00	\$ 1,165,373.70	\$ 1,935.30
Grades 1-5	9,014,256.00	(261,153.00)	8,753,103.00	8,586,504.19	166,598.81
Grades 6-8	4,926,295.00	240,549.00	5,166,844.00	5,147,954.94	18,889.06
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00		50,000.00	4,933.62	45,066.38
Purchased Professional - Educational Services	5,000.00		5,000.00	1,560.00	3,440.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	339,448.00	132,197.40	471,645.40	470,357.32	1,288.08
Purchased Professional - Educational Services	14,500.00		14,500.00	14,131.45	368.55
Other Purchased Services	230,534.00	0.35	230,534.35	222,857.35	7,677.00
General Supplies	956,659.00	(77,529.70)	879,129.30	529,243.54	349,885.76
Textbooks	8,050.00		8,050.00		8,050.00
Total Regular Programs- Instruction	16,688,947.00	57,168.05	16,746,115.05	16,142,916.11	603,198.94
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	461,853.00	299,830.00	761,683.00	761,682.50	0.50
Other Salaries for Instruction	274,684.00	(49,355.00)	225,329.00	225,304.19	24.81
General Supplies	22,406.00	(8,000.20)	14,405.80	14,332.40	73.40
Total Learning and / or Language Disabilities	758,943.00	242,474.80	1,001,417.80	1,001,319.09	98.71
Auditory Impairments:					
Salaries of Teachers	137,534.00	(17,783.25)	119,750.75	112,813.02	6,937.73
Other Salaries for Instruction	41,254.00	62,348.25	103,602.25	103,602.25	
General Supplies	12,081.00		12,081.00	174.94	11,906.06
Total Auditory Impairments	190,869.00	44,565.00	235,434.00	216,590.21	18,843.79

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 332,374.00	\$ 8,057.13	\$ 340,431.13	\$ 340,431.13	
Other Salaries for Instruction	179,738.00	(43,057.13)	136,680.87	123,382.57	\$ 13,298.30
General Supplies	4,381.00	0.80	4,381.80	1,435.64	2,946.16
Total Behavioral Disabilities	516,493.00	(34,999.20)	481,493.80	465,249.34	16,244.46
Multiple Disabilities:					
Salaries of Teachers	679,019.00	(226,144.39)	452,874.61	411,511.14	41,363.47
Other Salaries for Instruction	563,487.00	23,804.39	587,291.39	579,120.83	8,170.56
General Supplies	62,317.00	0.31	62,317.31	22,214.69	40,102.62
Total Multiple Disabilities	1,304,823.00	(202,339.69)	1,102,483.31	1,012,846.66	89,636.65
Resource Room / Resource Center:					
Salaries of Teachers	3,475,592.00	(42,400.35)	3,433,191.65	3,423,741.71	9,449.94
Other Salaries for Instruction	229,332.00	56,400.55	285,732.55	285,732.55	
General Supplies	75,400.00	(0.03)	75,399.97	33,795.56	41,604.41
Total Resource Room / Resource Center	3,780,324.00	14,000.17	3,794,324.17	3,743,269.82	51,054.35
Autism					
Salaries of Teachers	222,494.00	470.00	222,964.00	213,065.00	9,899.00
Other Salaries for Instruction	524,657.00	(469.86)	524,187.14	487,835.20	36,351.94
General Supplies	19,907.00	0.25	19,907.25	12,349.97	7,557.28
Total Autism	767,058.00	0.39	767,058.39	713,250.17	53,808.22
Preschool Disabilities - Full Time:					
Salaries of Teachers	609,814.00		609,814.00	284,652.61	325,161.39
Other Salaries for Instruction	789,656.00		789,656.00	483,901.87	305,754.13
General Supplies	16,701.00	(0.23)	16,700.77	4,047.49	12,653.28
Total Preschool Disabilities - Full Time	1,416,171.00	(0.23)	1,416,170.77	772,601.97	643,568.80
Total Special Education - Instruction	8,734,681.00	63,701.24	8,798,382.24	7,925,127.26	873,254.98

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 1,368,815.00	\$ 44,993.72	\$ 1,413,808.72	\$ 1,413,808.72	
General Supplies	6,100.00		6,100.00	1,466.36	\$ 4,633.64
Total Basic Skills / Remedial - Instruction	1,374,915.00	44,993.72	1,419,908.72	1,415,275.08	4,633.64
Bilingual Education - Instruction:					
Salaries of Teachers	654,181.00	321.36	654,502.36	654,502.36	
General Supplies	3,050.00	(321.36)	2,728.64	845.00	1,883.64
Textbooks	600.00		600.00		600.00
Total Bilingual Education - Instruction	657,831.00	-	657,831.00	655,347.36	2,483.64
School Sponsored Cocurricular Activities - Instruction:					
Salaries	53,775.00		53,775.00	19,466.27	34,308.73
Supplies and Materials	13,995.00		13,995.00	2,047.92	11,947.08
Total School Sponsored Cocurricular Activities - Instruction	67,770.00	-	67,770.00	21,514.19	46,255.81
School Sponsored Athletics - Instruction:					
Salaries	32,085.00		32,085.00	4,620.00	27,465.00
Purchased Services	14,450.00		14,450.00	360.00	14,090.00
Supplies and Materials	7,595.00		7,595.00	120.00	7,475.00
Total School Sponsored Athletics - Instruction	54,130.00	-	54,130.00	5,100.00	49,030.00
Total Instruction	27,578,274.00	165,863.01	27,744,137.01	26,165,280.00	1,578,857.01

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 201,500.00	\$ (76,000.00)	\$ 125,500.00	\$ 123,965.72	\$ 1,534.28
Tuition to CSSD and Regional Day Schools	202,420.00		202,420.00	198,882.57	3,537.43
Tuition to Private Schools for the Disabled - Within State	625,950.00	99,000.00	724,950.00	620,553.62	104,396.38
Total Undistributed Expenditures - Instruction	1,029,870.00	23,000.00	1,052,870.00	943,401.91	109,468.09
Undistributed Expenditures - Attendance and Social Work:					
Salaries	28,840.00		28,840.00	20,532.86	8,307.14
Other Purchased Services	2,500.00		2,500.00	835.10	1,664.90
Supplies and Materials	500.00		500.00		500.00
Total Undistributed Expenditures - Attendance and Social Work	31,840.00	-	31,840.00	21,367.96	10,472.04
Undistributed Expenditures - Health Services:					
Salaries	499,120.00		499,120.00	442,423.54	56,696.46
Purchased Professional and Technical Services	12,190.00	7,114.00	19,304.00	19,259.00	45.00
Other Purchased Services	500.00		500.00		500.00
Supplies and Materials	26,080.57	(7,114.00)	18,966.57	11,956.89	7,009.68
Total Undistributed Expenditures - Health Services	537,890.57	-	537,890.57	473,639.43	64,251.14
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	739,091.00	92,000.00	831,091.00	807,294.25	23,796.75
Purchased Professional - Educational Services	21,000.00	1,895.00	22,895.00	19,433.93	3,461.07
Supplies and Materials	14,843.00	(500.00)	14,343.00	9,573.33	4,769.67
Total Undistributed Expenditures - Other Support Services - Students - Related Services	774,934.00	93,395.00	868,329.00	836,301.51	32,027.49

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Extra Services:					
Salaries	\$ 427,505.00	\$ (114,802.00)	\$ 312,703.00	\$ 280,117.07	\$ 32,585.93
Purchased Professional - Educational Services	180,000.00	(74,043.00)	105,957.00	90,135.56	15,821.44
Supplies and Materials	15,000.00		15,000.00	7,298.80	7,701.20
	<u>622,505.00</u>	<u>(188,845.00)</u>	<u>433,660.00</u>	<u>377,551.43</u>	<u>56,108.57</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Extra Services					
	<u>622,505.00</u>	<u>(188,845.00)</u>	<u>433,660.00</u>	<u>377,551.43</u>	<u>56,108.57</u>
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	751,534.00	(0.12)	751,533.88	669,418.83	82,115.05
Other Purchased Services (400-500 series)	1,200.00		1,200.00	29.61	1,170.39
Supplies and Materials	7,575.00		7,575.00	3,022.47	4,552.53
Other Objects	850.00		850.00		850.00
	<u>761,159.00</u>	<u>(0.12)</u>	<u>761,158.88</u>	<u>672,470.91</u>	<u>88,687.97</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Regular					
	<u>761,159.00</u>	<u>(0.12)</u>	<u>761,158.88</u>	<u>672,470.91</u>	<u>88,687.97</u>
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	1,670,050.00	6,577.36	1,676,627.36	1,676,193.16	434.20
Salaries of Secretarial and Clerical Assistants	245,278.00	(6,576.92)	238,701.08	222,438.50	16,262.58
Purchased Professional - Educational Services	23,580.00		23,580.00	22,837.26	742.74
Other Purchased Professional and Technical Services	61,943.75		61,943.75	51,359.00	10,584.75
Other Purchased Services (400-500 series)	7,464.00		7,464.00	6,283.12	1,180.88
Supplies and Materials	36,337.23	0.44	36,337.67	25,129.27	11,208.40
Other Objects	1,500.00		1,500.00	788.00	712.00
	<u>2,046,152.98</u>	<u>0.88</u>	<u>2,046,153.86</u>	<u>2,005,028.31</u>	<u>41,125.55</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Special					
	<u>2,046,152.98</u>	<u>0.88</u>	<u>2,046,153.86</u>	<u>2,005,028.31</u>	<u>41,125.55</u>

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 244,729.00	\$ 8,253.72	\$ 252,982.72	\$ 252,978.54	\$ 4.18
Salaries of Secretarial and Clerical Assistants	54,806.00	(0.08)	54,805.92	54,805.92	
Salaries of Facilitators, Math & Literacy Coaches	261,438.00		261,438.00	261,238.00	200.00
Purchased Professional - Educational Services	82,620.00	7,170.60	89,790.60	85,290.60	4,500.00
Supplies and Materials	427,381.00	(12,269.72)	415,111.28	221,993.29	193,117.99
Other Objects	15,500.00	4,016.16	19,516.16	19,330.76	185.40
Total Undistributed Expenditures - Improvement of Instruction Services	1,086,474.00	7,170.68	1,093,644.68	895,637.11	198,007.57
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	441,344.00		441,344.00	439,120.82	2,223.18
Purchased Professional and Technical Services	8,000.00		8,000.00	7,333.25	666.75
Other Purchased Services (400-500 series)	4,300.00		4,300.00		4,300.00
Supplies and Materials	32,989.00		32,989.00	3,657.25	29,331.75
Total Undistributed Expenditures - Educational Media Services / School Library	486,633.00	-	486,633.00	450,111.32	36,521.68
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	66,492.00	1,092.57	67,584.57	67,584.00	0.57
Purchased Professional - Educational Services	16,000.00	(1,092.47)	14,907.53		14,907.53
Total Undistributed Expenditures - Instructional Staff Training Services	82,492.00	0.10	82,492.10	67,584.00	14,908.10

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 343,563.00	\$ 0.05	\$ 343,563.05	\$ 343,322.19	\$ 240.86
Legal Services	55,000.00	36,785.45	91,785.45	91,562.95	222.50
Audit Fees	49,365.00	1,295.00	50,660.00	50,660.00	
Architectural/Engineering Services	22,920.00	(10,000.00)	12,920.00	6,962.88	5,957.12
Other Purchased Professional Services	32,250.00		32,250.00	22,692.88	9,557.12
Communications / Telephone	327,692.00	(28,080.25)	299,611.75	255,443.46	44,168.29
BOE Other Purchased Services	7,000.00		7,000.00	1,255.23	5,744.77
Other Purchased Services (400-500)	113,160.00		113,160.00	105,134.68	8,025.32
General Supplies	6,500.00		6,500.00	6,315.83	184.17
Miscellaneous Expenditures	9,450.00		9,450.00	8,634.74	815.26
BOE Membership Dues and Fees	25,000.00		25,000.00	23,634.20	1,365.80
Total Undistributed Expenditures - Support Services - General Administration	991,900.00	0.25	991,900.25	915,619.04	76,281.21
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	1,295,836.00	18,311.54	1,314,147.54	1,249,224.89	64,922.65
Salaries of Secretarial and Clerical Assistants	646,661.00	(18,312.50)	628,348.50	613,296.63	15,051.87
Supplies and Materials	71,532.40		71,532.40	28,376.71	43,155.69
Other Objects	5,100.00		5,100.00	850.00	4,250.00
Total Undistributed Expenditures - Support Services - School Administration	2,019,129.40	(0.96)	2,019,128.44	1,891,748.23	127,380.21
Undistributed Expenditures - Central Services:					
Salaries	507,367.00	0.29	507,367.29	504,076.50	3,290.79
Purchased Technical Services	16,665.00	(2,000.00)	14,665.00	9,766.22	4,898.78
Miscellaneous Purchased Services (400-500 series)	15,500.00	711.55	16,211.55	14,198.51	2,013.04
Supplies and Materials	10,505.97	807.46	11,313.43	11,169.95	143.48
Miscellaneous Expenditures	4,470.00	480.99	4,950.99	4,950.99	
Total Undistributed Expenditures - Central Services	554,507.97	0.29	554,508.26	544,162.17	10,346.09

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administration of Information Technology:					
Salaries	\$ 464,508.00	\$ (0.28)	\$ 464,507.72	\$ 453,185.76	\$ 11,321.96
Purchased Technical Services	55,000.00		55,000.00	31,543.54	23,456.46
Other Purchased Services (400-500 series)	850.00		850.00	812.79	37.21
Other Objects	2,500.00		2,500.00	412.00	2,088.00
Total Undistributed Expenditures - Administration of Information Technology	522,858.00	(0.28)	522,857.72	485,954.09	36,903.63
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	455,618.00	0.33	455,618.33	451,798.69	3,819.64
Cleaning, Repair and Maintenance Services	1,177,804.97	1,043,044.30	2,220,849.27	1,544,968.94	675,880.33
General Supplies	290,359.41	177,465.00	467,824.41	376,166.28	91,658.13
Other Objects	8,000.00		8,000.00	3,339.90	4,660.10
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,931,782.38	1,220,509.63	3,152,292.01	2,376,273.81	776,018.20
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,634,804.00	(0.02)	1,634,803.98	1,546,838.56	87,965.42
Purchased Professional and Technical Services	1,500.00		1,500.00	1,490.00	10.00
Cleaning, Repair and Maintenance Services	80,549.71	3,876.00	84,425.71	74,900.42	9,525.29
Rental of Land and Buildings -- Other than Lease Purchase	46,895.00	(3,876.08)	43,018.92	9,004.78	34,014.14
Other Purchased Property Services	130,000.00		130,000.00	101,172.88	28,827.12
Insurance	165,375.00		165,375.00	165,375.00	
General Supplies	245,750.96	(75,000.36)	170,750.60	143,137.76	27,612.84
Energy (Heat)	174,500.00	40,118.37	214,618.37	205,404.17	9,214.20
Energy (Electricity)	744,500.00	34,881.63	779,381.63	760,194.53	19,187.10
Energy (Gasoline)	15,000.00		15,000.00	8,228.04	6,771.96
Other Objects	7,000.00		7,000.00	1,211.25	5,788.75
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,245,874.67	(0.46)	3,245,874.21	3,016,957.39	228,916.82

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	\$ 29,001.00	\$ 0.60	\$ 29,001.60	\$ 29,001.60	
Cleaning, Repair, and Maintenance Services	207,771.00	(0.53)	207,770.47	170,644.29	\$ 37,126.18
General Supplies	32,900.00		32,900.00	8,925.02	23,974.98
Total Undistributed Expenditures - Care & Upkeep of Grounds	269,672.00	0.07	269,672.07	208,570.91	61,101.16
Undistributed Expenditures - Security					
Salaries	45,016.00	0.11	45,016.11	45,016.08	0.03
Purchased Professional and Technical services	215,441.30	(12,665.00)	202,776.30	171,346.69	31,429.61
Cleaning, Repair, and Maintenance Services	32,900.00	(9,177.03)	23,722.97	14,584.00	9,138.97
General Supplies	6,150.00	21,842.03	27,992.03	23,967.07	4,024.96
Total Undistributed Expenditures - Security	299,507.30	0.11	299,507.41	254,913.84	44,593.57
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)-Reg.	114,482.00	0.25	114,482.25	114,454.80	27.45
Other Purchased Prof. and Technical Services	6,050.00		6,050.00	4,050.00	2,000.00
Contracted Services - Aid in Lieu of Payments - Nonpublic School	55,000.00	1,893.05	56,893.05	55,286.10	1,606.95
Contracted Services - Aid in Lieu of Payments - Charter School	6,000.00	(1,893.05)	4,106.95	1,609.50	2,497.45
Contracted Services - Aid in Lieu of Payments - Choice School	20,000.00		20,000.00	7,593.40	12,406.60
Contracted Services - (Between Home and School) - Vendors	2,000.00		2,000.00		2,000.00
Contracted Services - (Other than Between Home and School) - Vendors	94,000.00		94,000.00	34,394.82	59,605.18
Contracted Services - (Between Home and School) - Joint Agreements	2,906,670.49	(177,366.07)	2,729,304.42	2,490,301.02	239,003.40
Contracted Services (Special Education Students) - Joint Agreements	1,878,496.78		1,878,496.78	1,359,026.87	519,469.91
General Supplies	4,850.00		4,850.00	2,404.00	2,446.00
Total Undistributed Expenditures - Student Transportation Services	5,087,549.27	(177,365.82)	4,910,183.45	4,069,120.51	841,062.94
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	700,000.00	74,219.00	774,219.00	802,684.72	(28,465.72)
Other Retirement Contributions - PERS	1,141,154.00	(6,867.00)	1,134,287.00	1,127,239.00	7,048.00
Other Retirement Contributions - Regular	40,000.00		40,000.00	33,289.55	6,710.45
Unemployment Compensation	10,000.00		10,000.00		10,000.00
Workmen's Compensation	346,123.00	1.00	346,124.00	346,124.00	
Health Benefits	11,731,642.00	(969,667.40)	10,761,974.60	10,179,355.90	582,618.70
Tuition Reimbursement	125,640.00		125,640.00	104,459.58	21,180.42
Other Employee Benefits	956,000.00	53,600.00	1,009,600.00	994,216.24	15,383.76
Unused Sick Payment to Terminated/Retired Staff	215,000.00	(66,000.00)	149,000.00	148,114.14	885.86
Total Unallocated Benefits	15,265,559.00	(914,714.40)	14,350,844.60	13,735,483.13	615,361.47

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 7,276,595.00	\$ (7,276,595.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				138,447.00	(138,447.00)
On-behalf TPAF Medical Contributions (non-budgeted)				2,323,759.00	(2,323,759.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,775.00	(2,775.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,016,319.59	(2,016,319.59)
Total TPAF Contributions	-	-	-	11,757,895.59	(11,757,895.59)
Total Undistributed Expenditures	\$ 37,648,290.54	\$ 63,149.97	\$ 37,711,440.51	45,999,792.60	(8,288,352.09)
Interest Earned on Maintenance Reserve	185.00	-	185.00	-	185.00
Interest Earned on Current Expense Emergency Reserve	15.00	-	15.00	-	15.00
Total Current Expense	65,226,764.54	229,012.98	65,455,777.52	72,165,072.60	(6,709,295.08)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve	300.00		300.00		300.00
Total Capital Reserve	300.00	-	300.00	-	300.00
Equipment:					
Undistributed Expenditures - Required Maintenance	28,976.00	29,000.00	57,976.00	57,976.00	
Undistributed Expenditures - Custodial Services	7,700.00		7,700.00	7,700.00	
Undistributed Expenditures - Security	50,000.00		50,000.00	50,000.00	
Total Equipment	86,676.00	29,000.00	115,676.00	115,676.00	-
Facility Acquisitions and Construction Services:					
Construction Services	22,020.00		22,020.00	22,020.00	
Assessment for Debt Service on SDA Funding	44,186.00		44,186.00	44,186.00	
Total Facility Acquisitions and Construction Services	66,206.00	-	66,206.00	66,206.00	-
Total Capital Outlay	153,182.00	29,000.00	182,182.00	181,882.00	300.00
Transfer of Funds to Charter School	469,850.00	188,999.00	658,849.00	656,112.00	2,737.00

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Total Expenditures	\$ 65,849,796.54	\$ 447,011.98	\$ 66,296,808.52	\$ 73,003,066.60	\$ (6,706,258.08)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,335,510.54)	(1,220,508.98)	(5,556,019.52)	1,848,470.87	7,404,490.39
Other Financing Sources (Uses):					
Operating Transfer Out -- Capital Reserve Transferred to Capital Projects Fund	-	-	-	(461,100.00)	(461,100.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,335,510.54)	(1,220,508.98)	(5,556,019.52)	1,387,370.87	6,943,390.39
Fund Balances, July 1	14,401,508.94	-	14,401,508.94	14,401,508.94	-
Prior Period Adjustment	-	-	-	176,033.02	-
Fund Balances, July 1, Restated	14,401,508.94	-	14,401,508.94	14,577,541.96	-
Fund Balances, June 30	\$ 10,065,998.40	\$ (1,220,508.98)	\$ 8,845,489.42	\$ 15,964,912.83	\$ 6,943,390.39
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 3,731,531.00	
Maintenance Reserve				2,551,531.00	
Emergency Reserve				542,563.00	
Excess Surplus				2,112,441.38	
Excess Surplus -- Designated for Subsequent Year's Expenditures				2,292,054.58	
Unemployment Compensation				180,896.54	
Assigned Fund Balance:					
Other Purposes				916,892.07	
Designated for Subsequent Year's Expenditures				432,870.42	
Unassigned Fund Balance				3,204,132.84	
				15,964,912.83	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,494,776.50)	
				\$ 13,470,136.33	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Galloway Education Foundation		\$ 363.70	\$ 363.70		\$ 363.70
Other Local Grants		7,172.14	7,172.14	\$ 31,279.98	(24,107.84)
Total - Local Sources	-	7,535.84	7,535.84	31,279.98	(23,744.14)
State Sources:					
Nonpublic Aid	\$ 275,000.00	178,057.25	453,057.25	396,005.30	57,051.95
Preschool Education Aid	3,465,991.00	(98,356.00)	3,367,635.00	3,367,635.00	
Total - State Sources	3,740,991.00	79,701.25	3,820,692.25	3,763,640.30	57,051.95
Federal Sources:					
Title I, Part A	642,351.00	89,539.00	731,890.00	704,042.05	27,847.95
Title I, Part A, Reallocated		86,531.00	86,531.00	70,578.31	15,952.69
Title II, Part A	145,013.00	15,008.00	160,021.00	131,645.98	28,375.02
Title III	20,505.00	5,398.00	25,903.00	21,920.35	3,982.65
Title III Immigrant		3,942.00	3,942.00	203.24	3,738.76
Title IV	31,579.00	23,172.00	54,751.00	27,312.70	27,438.30
I.D.E.A., Part B Basic	844,269.00	182,134.00	1,026,403.00	986,445.08	39,957.92
I.D.E.A., Part B, Preschool Incentive		41,858.00	41,858.00	39,747.97	2,110.03
Education Stabilization Fund (CARES)		626,834.30	626,834.30	364,983.64	261,850.66
Education Stabilization Fund II (CRRSA)		2,188,936.00	2,188,936.00	1,005,800.68	1,183,135.32
Education Stabilization Fund II (Learning Acceleration)		140,475.00	140,475.00		140,475.00
Education Stabilization Fund II (Mental Health)		45,000.00	45,000.00	6,600.00	38,400.00
Coronavirus Relief Fund		292,237.00	292,237.00	292,097.29	139.71
Digital Divide		663,309.00	663,309.00	663,309.00	
NP Digital Divide		24,013.00	24,013.00	23,247.36	765.64
Total - Federal Sources	1,683,717.00	4,428,386.30	6,112,103.30	4,337,933.65	1,774,169.65
Total Revenues	5,424,708.00	4,515,623.39	9,940,331.39	8,132,853.93	1,807,477.46

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 902,955.11	\$ 187,982.26	\$ 1,090,937.37	\$ 976,095.76	\$ 114,841.61
Other Salaries for Instruction	376,638.00		376,638.00	376,638.00	
Purchased Professional & Educational Services	46,097.42	38,227.58	84,325.00	51,676.98	32,648.02
Tuition	387,011.88	86,805.56	473,817.44	473,817.44	
General Supplies	834,294.01	2,770,015.23	3,604,309.24	2,918,188.21	686,121.03
Textbooks	21,032.61	18,228.34	39,260.95	30,319.25	8,941.70
Other Objects	1,720.05	(1,720.05)			
Total Instruction	2,569,749.08	3,099,538.92	5,669,288.00	4,826,735.64	842,552.36
Support Services:					
Salaries of Supervisors of Instruction	50,000.00	(50,000.00)			
Salaries of Program Directors	129,725.00		129,725.00	129,725.00	
Salaries of Other Professional Staff	65,055.00		65,055.00	65,055.00	
Salaries of Secretarial and Clerical Assistants	20,700.53	(7,200.45)	13,500.08	13,500.08	
Other Salaries	228,028.24	345,524.58	573,552.82	218,685.10	354,867.72
Salaries of Community Parent Involvement Spec.	2,050.00	(1,189.00)	861.00	861.00	
Salaries of Master Teachers		55,500.00	55,500.00	55,500.00	
Personal Services - Employee Benefits	869,375.36	(130,574.80)	738,800.56	617,572.69	121,227.87
Purchased Professional & Technical Services	221,273.32	179,303.75	400,577.07	317,638.80	82,938.27
Purchased Educational Services - Contracted Pre-K	1,097,700.00	(121,125.00)	976,575.00	976,575.00	
Purchased Educational Services - Head Start	121,305.00		121,305.00	121,305.00	
Other Purchased Professional Services	4,334.11	11,637.89	15,972.00	15,972.00	
Rentals		22,140.00	22,140.00	22,140.00	
Contracted Services - (Between Home and School)		248,514.00	248,514.00	248,514.00	
Miscellaneous Purchased Services	510.45	21,850.30	22,360.75		22,360.75
Supplies and Materials	44,901.91	769,653.20	814,555.11	470,794.83	343,760.28
Student Activities				20,035.63	(20,035.63)
Total Support Services	2,854,958.92	1,344,034.47	4,198,993.39	3,293,874.13	905,119.26
Capital Outlay:					
Non-Instructional Equipment		72,050.00	72,050.00	4,247.80	67,802.20
Total Expenditures	5,424,708.00	4,515,623.39	9,940,331.39	8,124,857.57	1,815,473.82
Excess (Deficiency) of Revenues Over (Under Expenditures)	-	-	-	7,996.36	\$ (7,996.36)
Fund Balance, July 1				-	
Prior Period Adjustment				84,029.26	
Fund Balance, July 1 (Restated)				84,029.26	
Fund Balance, June 30				\$ 92,025.62	
Reconciliation to Governmental Funds Statements (GAAP):					
Preschool Education Aid Receipts Recongnized on GAAP Basis				98,355.83	
Fiscal Year 2021 Last State Aid Payments not Recognized on GAAP Basis				(336,763.50)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				\$ (146,382.05)	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 74,851,537.47	\$ 8,132,853.93
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(151,889.15)
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 expense (GASB 33) received July 2020.	2,472,295.00	222,292.00
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 expense (GASB 33) received July 2021.	<u>(2,494,776.50)</u>	<u>(336,763.50)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 74,829,055.97</u>	<u>\$ 7,866,493.28</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 73,003,066.60	\$ 8,124,857.57
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(151,889.15)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 73,003,066.60</u>	<u>\$ 7,972,968.42</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Eight Plan Years

	<u>Measurement Date Ending June 30,</u>							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1036871385%	0.1022143974%	0.1023504196%	0.0949936808%	0.0892962353%	0.0886435742%	0.0923125078%	0.0853225517%
School District's Proportionate Share of the Net Pension Liability	\$ 16,908,661.00	\$ 18,417,484.00	\$ 20,152,228.00	\$ 22,113,010.00	\$ 26,446,984.00	\$ 19,898,706.00	\$ 17,283,426.00	\$ 16,306,835.00
School District's Covered Payroll (Plan Measurement Period)	\$ 8,151,100.00	\$ 7,829,400.00	\$ 7,926,088.00	\$ 7,217,892.00	\$ 6,641,884.00	\$ 6,596,172.00	\$ 6,937,600.00	\$ 6,409,972.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	207.44%	235.23%	254.25%	306.36%	398.18%	301.67%	249.13%	254.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Eight Fiscal Years

	<u>Fiscal Year Ended June 30,</u>							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,221,163.00	\$ 1,134,287.00	\$ 994,245.00	\$ 1,018,056.00	\$ 880,015.00	\$ 793,295.00	\$ 762,097.00	\$ 761,011.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,221,163.00)</u>	<u>(1,134,287.00)</u>	<u>(994,245.00)</u>	<u>(1,018,056.00)</u>	<u>(880,015.00)</u>	<u>(793,295.00)</u>	<u>(762,097.00)</u>	<u>(761,011.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 7,705,742.00	\$ 7,507,637.00	\$ 7,275,591.00	\$ 7,096,874.00	\$ 7,010,477.00	\$ 6,258,971.00	\$ 6,012,465.00	\$ 6,007,127.00
Contributions as a Percentage of School District's Covered Payroll	15.85%	15.11%	13.67%	14.35%	12.55%	12.67%	12.68%	12.67%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Eight Plan Years

	Measurement Date Ending June 30,							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>161,340,743.00</u>	<u>153,026,178.00</u>	<u>150,908,905.00</u>	<u>164,395,645.00</u>	<u>190,500,423.00</u>	<u>150,849,003.00</u>	<u>127,288,433.00</u>	<u>116,890,790.00</u>
	<u>\$ 161,340,743.00</u>	<u>\$ 153,026,178.00</u>	<u>\$ 150,908,905.00</u>	<u>\$ 164,395,645.00</u>	<u>\$ 190,500,423.00</u>	<u>\$ 150,849,003.00</u>	<u>\$ 127,288,433.00</u>	<u>\$ 116,890,790.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 32,587,872.00	\$ 31,359,172.00	\$ 31,219,912.00	\$ 29,366,556.00	\$ 29,721,712.00	\$ 29,022,944.00	\$ 28,075,876.00	\$ 27,482,672.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	495.09%	487.98%	483.37%	559.81%	640.95%	519.76%	453.37%	425.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Eight Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2021

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%
2017	4.25%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Four Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District				
Changes for the Year:				
Service Cost	\$ 4,418,996.00	\$ 4,349,562.00	\$ 4,705,142.00	\$ 5,664,587.00
Interest Cost	3,842,236.00	4,705,976.00	4,980,827.00	4,300,221.00
Difference between Expected and Actual Experience	32,928,181.00	(19,449,964.00)	(10,098,588.00)	
Changes in Assumptions	32,414,440.00	1,593,055.00	(13,636,116.00)	(17,713,692.00)
Member Contributions	93,637.00	97,222.00	109,817.00	115,945.00
Gross Benefit Payments	(3,089,299.00)	(3,279,796.00)	(3,177,420.00)	(3,148,761.00)
Net Change in Total Non-Employer OPEB Liability	70,608,191.00	(11,983,945.00)	(17,116,338.00)	(10,781,700.00)
Total Non-Employer OPEB Liability - July 1	106,844,125.00	118,828,070.00	135,944,408.00	146,726,108.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 177,452,316.00</u>	<u>\$ 106,844,125.00</u>	<u>\$ 118,828,070.00</u>	<u>\$ 135,944,408.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 35,105,597.00</u>	<u>\$ 34,317,995.00</u>	<u>\$ 33,534,307.00</u>	<u>\$ 33,295,239.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	505.48%	311.34%	354.35%	408.30%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms:

There were no changes in benefit terms from the previous valuations.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The mortality assumption was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	E.S.S.A						Total Brought Forward
	Total	Title I, Part A Grants to Local Educational Agencies	Title I, Part A Grants to Local Educational Agencies Reallocated	Supporting Effective Instruction State Grants (Title II, Part A) ESSA	English Language Acquisition (Title III)	Title III Immigrant	
REVENUES:							
Federal Sources	\$ 4,337,933.65	\$ 704,042.05	\$ 70,578.31	\$ 131,645.98	\$ 21,920.35	\$ 203.24	\$ 3,409,543.72
State Sources	3,763,640.30						3,763,640.30
Local Sources	31,279.98						31,279.98
Total Revenues	8,132,853.93	704,042.05	70,578.31	131,645.98	21,920.35	203.24	7,204,464.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers	976,095.76	36,543.98			30.05		939,521.73
Other Salaries for Instruction	376,638.00						376,638.00
Purchased Professional & Educational Services	51,676.98						51,676.98
Tuition	473,817.44						473,817.44
General Supplies	2,918,188.21	591,705.13	68,666.37		21,888.00	203.24	2,235,725.47
Textbooks	30,319.25						30,319.25
Total Instruction	4,826,735.64	628,249.11	68,666.37	-	21,918.05	203.24	4,107,698.87
Support Services:							
Salaries of Program Directors	129,725.00						129,725.00
Salaries of Other Professional Staff	65,055.00						65,055.00
Salaries of Secretarial and Clerical Assistants	13,500.08						13,500.08
Other Salaries	218,685.10	42,946.50	1,831.50	70,842.10			103,065.00
Salaries of Community Parent Involvement Spec.	861.00						861.00
Salaries of Master Teachers	55,500.00						55,500.00
Personal Services - Employee Benefits	617,572.69	6,411.18	80.44	7,004.45	2.30		604,074.32
Purchased Professional & Technical Services	317,638.80	7,242.00		39,803.06			270,593.74
Purchased Educational Services - Contracted Pre-K	976,575.00						976,575.00
Purchased Educational Services - Head Start	121,305.00						121,305.00
Other Purchased Professional Services	15,972.00			9,372.00			6,600.00
Rentals	22,140.00						22,140.00
Contracted Services - (Between Home and School)	248,514.00						248,514.00
Supplies and Materials	470,794.83	19,193.26		4,624.37			446,977.20
Student Activities	20,035.63						20,035.63
Total Support Services	3,293,874.13	75,792.94	1,911.94	131,645.98	2.30	-	3,084,520.97
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment	4,247.80						4,247.80
Total Expenditures	8,124,857.57	704,042.05	70,578.31	131,645.98	21,920.35	203.24	7,196,467.64
Excess (Deficiency) of Revenues Over (Under Expenditures)	7,996.36					203.24	7,996.36
Fund Balance, July 1	-						-
Prior Period Adjustment	84,029.26						84,029.26
Fund Balance, July 1 (Restated)	84,029.26						84,029.26
Fund Balance, June 30	\$ 92,025.62						\$ 92,025.62

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	E.S.S.A.		I.D.E.A. Part B		CARES	Nonpublic Digital Divide	Total Brought Forward
		Title IV - Student Support and Academic Enrichment (ESSA)	Special Education Grants (IDEA Basic)	Special Education Preschool Grants (IDEA Preschool)				
REVENUES:								
Federal Sources	\$ 3,409,543.72	\$ 27,312.70	\$ 986,445.08	\$ 39,747.97	\$ 364,983.64	\$ 23,247.36	\$ 1,967,806.97	
State Sources	3,763,640.30						3,763,640.30	
Local Sources	31,279.98						31,279.98	
Total Revenues	7,204,464.00	27,312.70	986,445.08	39,747.97	364,983.64	23,247.36	5,762,727.25	
EXPENDITURES:								
Instruction:								
Salaries of Teachers	939,521.73		123,882.37	20,000.00			795,639.36	
Other Salaries for Instruction	376,638.00						376,638.00	
Purchased Professional & Educational Services	51,676.98		51,676.98					
Tuition	473,817.44		473,817.44					
General Supplies	2,235,725.47		306,335.11	11,169.97	338,732.68	23,247.36	1,556,240.35	
Textbooks	30,319.25						30,319.25	
Total Instruction	4,107,698.87	-	955,711.90	31,169.97	338,732.68	23,247.36	2,758,836.96	
Support Services:								
Salaries of Program Directors	129,725.00						129,725.00	
Salaries of Other Professional Staff	65,055.00						65,055.00	
Salaries of Secretarial and Clerical Assistants	13,500.08		10,000.08				3,500.00	
Salaries of Community Parent Involvement Spec.	861.00						861.00	
Salaries of Master Teachers	55,500.00						55,500.00	
Personal Services - Employee Benefits	604,074.32	40.70	10,252.10	8,578.00			585,203.52	
Purchased Professional & Technical Services	270,593.74	5,680.00	350.00		9,500.00		255,063.74	
Purchased Educational Services - Contracted Pre-K	976,575.00						976,575.00	
Purchased Educational Services - Head Start	121,305.00						121,305.00	
Other Purchased Professional Services	6,600.00						6,600.00	
Rentals	22,140.00						22,140.00	
Contracted Services - (Between Home and School)	248,514.00						248,514.00	
Supplies and Materials	446,977.20		10,000.00		12,503.16		424,474.04	
Student Activities	20,035.63						20,035.63	
Total Support Services	3,084,520.97	27,312.70	30,733.18	8,578.00	22,003.16	-	2,995,893.93	
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment	4,247.80	-	-	-	4,247.80	-	-	
Total Expenditures	7,196,467.64	27,312.70	986,445.08	39,747.97	364,983.64	23,247.36	5,754,730.89	
Excess (Deficiency) of Revenues Over (Under Expenditures)	7,996.36	-	-	-	-	-	7,996.36	
Fund Balance, July 1	-	-	-	-	-	-	-	
Prior Period Adjustment	84,029.26	-	-	-	-	-	84,029.26	
Fund Balance, July 1 (Restated)	84,029.26	-	-	-	-	-	84,029.26	
Fund Balance, June 30	\$ 92,025.62	-	-	-	-	-	\$ 92,025.62	

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	Digital Divide	Coronavirus Relief Fund	CRRSA		Preschool Education Aid	Total Brought Forward
				ESSER II	Mental Health		
REVENUES:							
Federal Sources	\$ 1,967,806.97	\$ 663,309.00	\$ 292,097.29	\$ 1,005,800.68	\$ 6,600.00	\$ 3,367,635.00	\$ 396,005.30
State Sources	3,763,640.30						31,279.98
Local Sources	31,279.98						
Total Revenues	5,762,727.25	663,309.00	292,097.29	1,005,800.68	6,600.00	3,367,635.00	427,285.28
EXPENDITURES:							
Instruction:							
Salaries of Teachers	795,639.36					667,344.00	128,295.36
Other Salaries for Instruction	376,638.00					376,638.00	
Purchased Professional & Educational Services							
Tuition							
General Supplies	1,556,240.35	663,309.00	223,874.78	612,252.58		53,556.00	3,247.99
Textbooks	30,319.25						30,319.25
Total Instruction	2,758,836.96	663,309.00	223,874.78	612,252.58	-	1,097,538.00	161,862.60
Support Services:							
Salaries of Program Directors	129,725.00					129,725.00	
Salaries of Other Professional Staff	65,055.00					65,055.00	
Salaries of Secretarial and Clerical Assistants	3,500.00					3,500.00	
Other Salaries	81,342.00					81,342.00	
Salaries of Community Parent Involvement Spec.	861.00					861.00	
Salaries of Master Teachers	55,500.00					55,500.00	
Personal Services - Employee Benefits	585,203.52					565,580.00	19,623.52
Purchased Professional & Technical Services	255,063.74		13,854.00	26,538.00			214,671.74
Purchased Educational Services - Contracted Pre-K	976,575.00					976,575.00	
Purchased Educational Services - Head Start	121,305.00					121,305.00	
Other Purchased Professional Services	6,600.00				6,600.00		
Rentals	22,140.00					22,140.00	
Contracted Services - (Between Home and School)	248,514.00					248,514.00	
Supplies and Materials	424,474.04		54,368.51	367,010.10			3,095.43
Student Activities	20,035.63						20,035.63
Total Support Services	2,995,893.93	-	68,222.51	393,548.10	6,600.00	2,270,097.00	257,426.32
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Expenditures	5,754,730.89	663,309.00	292,097.29	1,005,800.68	6,600.00	3,367,635.00	419,288.92
Excess (Deficiency) of Revenues Over (Under Expenditures)	7,996.36	-	-	-	-	-	7,996.36
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	84,029.26	-	-	-	-	-	84,029.26
Fund Balance, July 1 (Restated)	84,029.26	-	-	-	-	-	84,029.26
Fund Balance, June 30	\$ 92,025.62	-	-	-	-	-	\$ 92,025.62

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	N.J. Nonpublic Auxiliary Services Ch. 192	N.J. Nonpublic Handicapped Services - Ch. 193			Nonpublic Textbook Aid, Ch. 194, L. 1979	Total Brought Forward
		Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech		
REVENUES:							
Federal Sources							
State Sources	\$ 396,005.30	\$ 80,364.09	\$ 45,407.54	\$ 54,083.00	\$ 23,696.00	\$ 30,319.25	\$ 162,135.42
Local Sources	31,279.98						31,279.98
Total Revenues	427,285.28	80,364.09	45,407.54	54,083.00	23,696.00	30,319.25	193,415.40
EXPENDITURES:							
Instruction:							
Salaries of Teachers	128,295.36	52,530.00	1,829.36	50,240.00	23,696.00		
Other Salaries for Instruction							
Purchased Professional & Educational Services							
Tuition							
General Supplies	3,247.99						3,247.99
Textbooks	30,319.25					30,319.25	
Total Instruction	161,862.60	52,530.00	1,829.36	50,240.00	23,696.00	30,319.25	3,247.99
Support Services:							
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretarial and Clerical Assistants							
Other Salaries							
Salaries of Community Parent Involvement Spec.							
Salaries of Master Teachers							
Personal Services - Employee Benefits	19,623.52	15,723.84	56.68	3,843.00			
Purchased Professional & Technical Services	214,671.74	12,110.25	43,521.50				159,039.99
Purchased Educational Services - Contracted Pre-K							
Purchased Educational Services - Head Start							
Other Purchased Professional Services							
Rentals							
Contracted Services - (Between Home and School)							
Supplies and Materials	3,095.43						3,095.43
Student Activities	20,035.63						20,035.63
Total Support Services	257,426.32	27,834.09	43,578.18	3,843.00	-	-	182,171.05
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Expenditures	419,288.92	80,364.09	45,407.54	54,083.00	23,696.00	30,319.25	185,419.04
Excess (Deficiency) of Revenues Over (Under Expenditures)	7,996.36	-	-	-	-	-	7,996.36
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	84,029.26	-	-	-	-	-	84,029.26
Fund Balance, July 1 (Restated)	84,029.26	-	-	-	-	-	84,029.26
Fund Balance, June 30	\$ 92,025.62	-	-	-	-	-	\$ 92,025.62

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	Total Carried <u>Forward</u>	Nonpublic Nursing <u>Aid</u>	Nonpublic <u>Security</u>	Other Local <u>Grants</u>	Student Activity <u>Fund</u>
REVENUES:					
Federal Sources					
State Sources	\$ 162,135.42	\$ 56,234.42	\$ 105,901.00		
Local Sources	<u>31,279.98</u>			\$ 3,247.99	\$ 28,031.99
Total Revenues	<u>193,415.40</u>	<u>56,234.42</u>	<u>105,901.00</u>	<u>3,247.99</u>	<u>28,031.99</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction					
Purchased Professional & Educational Services					
Tuition					
General Supplies	3,247.99			3,247.99	
Textbooks					
Total Instruction	<u>3,247.99</u>	-	-	<u>3,247.99</u>	-
Support Services:					
Salaries of Program Directors					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Other Salaries					
Salaries of Community Parent Involvement Spec.					
Salaries of Master Teachers					
Personal Services - Employee Benefits					
Purchased Professional & Technical Services	159,039.99	53,138.99	105,901.00		
Purchased Educational Services - Contracted Pre-K					
Purchased Educational Services - Head Start					
Other Purchased Professional Services					
Rentals					
Contracted Services - (Between Home and School)					
Supplies and Materials	3,095.43	3,095.43			
Student Activities	<u>20,035.63</u>				<u>20,035.63</u>
Total Support Services	<u>182,171.05</u>	<u>56,234.42</u>	<u>105,901.00</u>	-	<u>20,035.63</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	-	-	-	-
Total Expenditures	<u>185,419.04</u>	<u>56,234.42</u>	<u>105,901.00</u>	<u>3,247.99</u>	<u>20,035.63</u>
Excess (Deficiency) of Revenues Over (Under Expenditures)	<u>7,996.36</u>	-	-	-	<u>7,996.36</u>
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	<u>84,029.26</u>	-	-	-	<u>84,029.26</u>
Fund Balance, July 1 (Restated)	<u>84,029.26</u>	-	-	-	<u>84,029.26</u>
Fund Balance, June 30	<u>\$ 92,025.62</u>	-	-	-	<u>\$ 92,025.62</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 667,344.00	\$ 667,344.00	
Other Salaries for Instruction	376,638.00	376,638.00	
General Supplies	53,556.00	53,556.00	
Total Instruction	<u>1,097,538.00</u>	<u>1,097,538.00</u>	<u>-</u>
Support Services:			
Salaries of Supervisors of Instruction			
Salaries of Program Directors	129,725.00	129,725.00	
Salaries of Other Professional Staff	65,055.00	65,055.00	
Salaries of Secretarial and Clerical Assistants	3,500.00	3,500.00	
Other Salaries	81,342.00	81,342.00	
Salaries of Community Parent Involvement Spec.	861.00	861.00	
Salaries of Master Teachers	55,500.00	55,500.00	
Personal Services - Employee Benefits	565,580.00	565,580.00	
Purchased Educational Services - Contracted Pre-K	976,575.00	976,575.00	
Purchased Educational Services - Head Start	121,305.00	121,305.00	
Rentals	22,140.00	22,140.00	
Contracted Services - (Between Home and School)	248,514.00	248,514.00	
Total Support Services	<u>2,270,097.00</u>	<u>2,270,097.00</u>	<u>-</u>
Total Expenditures	<u>\$ 3,367,635.00</u>	<u>\$ 3,367,635.00</u>	<u>-</u>

Calculation of Budget and Carryover

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 3,367,635.00
Add: Actual ECPA Carryover (June 30, 2020)	98,355.83
Add: Budgeted Transfer from the General Fund 2020-2021	-
Total Preschool Education Aid Funds Available for 2020-2021 Budget	3,465,990.83
Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(3,367,635.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2021	98,355.83
Add: 2020-2021 Unexpended Preschool Education Aid	-
Less: 2020-2021 Commissioner Approved Transfer to General Fund	-
2020-2021 Carryover -- Preschool Education Aid	<u>\$ 98,355.83</u>
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	<u>\$ 98,355.83</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2021

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Cancellations	Unexpended Balance June 30, 2021
			Prior Years	Current Year		
Reeds Road - Fire Alarm Replacement State Project # 1690-045-14-1001-G04	7/1/2015	\$ 272,206.12	\$ 184,521.50		\$ 87,684.62	
Roland Rogers Fire Alarm Replacement State Project # 1690-046-14-1002-G04	7/1/2015	292,383.90	198,199.50		94,184.40	
Smithville Fire Alarm Replacement State Project # 1690-048-14-1005-G04	7/1/2015	141,937.75	97,048.00		44,889.75	
Arthur Rann Generator Replacement State Project # 1690-015-19-1000	7/1/2018	193,154.53	192,054.53	\$ 1,100.00		
Pomona Generator Replacement State Project # 1690-040-19-1000	7/1/2018	192,246.03	191,146.03	1,100.00		
Reeds Road ATC System & HVAC Controls State Project # 1690-045-20-1000	7/1/2018	473,740.00	472,690.00	1,050.00		
GTMS ATC System & HVAC Controls State Project # 1690-016-20-1000	7/1/2018	476,085.00		476,085.00		
Arthur Rann Security Vestibule Renovations State Project # 1690-015-20-1000	10/28/2019	360,233.00	22,600.00	326,104.84		\$ 11,528.16
Pomona Preschool Security Vestibule Renovations State Project # 1690-040-20-1000	10/28/2019	142,631.49	9,600.00	102,572.50		30,458.99
New District Maintenance/ Storage Building State Project # 1690-X01-20-1000	11/18/2019	<u>2,903,282.18</u>	<u>130,664.78</u>	<u>1,490,088.91</u>		<u>1,282,528.49</u>
		<u>\$ 5,447,900.00</u>	<u>\$ 1,498,524.34</u>	<u>\$ 2,398,101.25</u>	<u>\$ 226,758.77</u>	<u>\$ 1,324,515.64</u>
Cancellation of SDA Grants					<u>\$ 226,758.77</u>	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2021

Revenues and Other Financing Sources

State Sources--EDA Grant		\$ (226,758.77)
Bond Proceeds and Transfers		
Proceeds from Lease Purchase		
Cancellation of Accounts Payable		
Transfer from Capital Reserve		461,100.00
Transfer from Emergency Reserve		
Transfer from (to) Other Local Projects		
Transfer from Capital Outlay		
		234,341.23
Total Revenues		234,341.23

Expenditures and Other Financing Uses

Expenditures:		
Purchased Professional and Technical Services	\$ 45,429.05	
Construction Services	2,352,672.20	
		2,398,101.25
Total Expenditures		2,398,101.25
Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,163,760.02)
Fund Balance -- July 1		3,488,275.66
Fund Balance -- June 30		\$ 1,324,515.64

Note: For F-2 Exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Reeds Road Fire Alarm Replacement
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant	\$ 139,227.00	\$ (87,684.62)	\$ 51,542.38	\$ 51,542.38
Bond Proceeds and Transfers				
Transfer from Capital Reserve	153,773.00		153,773.00	153,773.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects		(20,793.88)	(20,793.88)	(20,793.88)
Total Revenues	<u>293,000.00</u>	<u>(108,478.50)</u>	<u>184,521.50</u>	<u>184,521.50</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	22,500.00		22,500.00	22,500.00
Construction Services	162,021.50		162,021.50	162,021.50
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>184,521.50</u>	<u>-</u>	<u>184,521.50</u>	<u>184,521.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 108,478.50</u>	<u>\$ (108,478.50)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-045-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 293,000.00
Additional Authorized Cost	\$ (108,478.50)
Revised Authorized Cost	\$ 184,521.50
Percentage Increase over Original Authorized Cost	-37%
Percentage Completion	100%
Original Target Completion Date	8/30/2016
Revised Target Completion Date	6/30/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Arthur Rann Generator Replacement
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 291,000.00		\$ 291,000.00	\$ 291,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	(97,845.47)		(97,845.47)	(97,845.47)
Total Revenues	<u>193,154.53</u>	<u>-</u>	<u>193,154.53</u>	<u>193,154.53</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	28,744.53	\$ 1,100.00	29,844.53	29,844.53
Construction Services	163,310.00		163,310.00	163,310.00
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>192,054.53</u>	<u>1,100.00</u>	<u>193,154.53</u>	<u>193,154.53</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,100.00</u>	<u>\$ (1,100.00)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-015-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 291,000.00
Additional Authorized Cost	\$ (97,845.47)
Revised Authorized Cost	\$ 193,154.53
Percentage Increase over Original Authorized Cost	-34%
Percentage Completion	100%
Original Target Completion Date	6/30/2020
Revised Target Completion Date	8/31/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Roland Rogers Fire Alarm Replacement
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant	\$ 157,759.00	\$ (94,184.40)	\$ 63,574.60	\$ 63,574.60
Bond Proceeds and Transfers				
Transfer from Capital Reserve	174,241.00		174,241.00	174,241.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects		(39,616.10)	(39,616.10)	(39,616.10)
Total Revenues	<u>332,000.00</u>	<u>(133,800.50)</u>	<u>198,199.50</u>	<u>198,199.50</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	25,000.00		25,000.00	25,000.00
Construction Services	173,199.50		173,199.50	173,199.50
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>198,199.50</u>	<u>-</u>	<u>198,199.50</u>	<u>198,199.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 133,800.50</u>	<u>\$ (133,800.50)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-046-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 332,000.00
Additional Authorized Cost	\$ (133,800.50)
Revised Authorized Cost	\$ 198,199.50
Percentage Increase over Original Authorized Cost	-40%
Percentage Completion	100%
Original Target Completion Date	8/30/2016
Revised Target Completion Date	6/30/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Smithville Fire Alarm Replacement
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant	\$ 157,759.00	\$ (44,889.75)	\$ 112,869.25	\$ 112,869.25
Bond Proceeds and Transfers				
Transfer from Capital Reserve	174,241.00		174,241.00	174,241.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects		(190,062.25)	(190,062.25)	(190,062.25)
Total Revenues	<u>332,000.00</u>	<u>(234,952.00)</u>	<u>97,048.00</u>	<u>97,048.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	26,048.00		26,048.00	26,048.00
Construction Services	71,000.00		71,000.00	71,000.00
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>97,048.00</u>	<u>-</u>	<u>97,048.00</u>	<u>97,048.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 234,952.00</u>	<u>\$ (234,952.00)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-048-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 332,000.00
Additional Authorized Cost	\$ (234,952.00)
Revised Authorized Cost	\$ 97,048.00
Percentage Increase over Original Authorized Cost	-71%
Percentage Completion	100%
Original Target Completion Date	8/30/2016
Revised Target Completion Date	6/30/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Pomona Generator Replacement
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 230,000.00		\$ 230,000.00	\$ 230,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	(37,753.97)		(37,753.97)	(37,753.97)
	<u>192,246.03</u>	<u>-</u>	<u>192,246.03</u>	<u>192,246.03</u>
Total Revenues				
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	20,903.50	\$ 1,100.00	22,003.50	22,003.50
Construction Services	170,242.53		170,242.53	170,242.53
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
	<u>191,146.03</u>	<u>1,100.00</u>	<u>192,246.03</u>	<u>192,246.03</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,100.00</u>	<u>\$ (1,100.00)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-040-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 230,000.00
Additional Authorized Cost	\$ (37,753.97)
Revised Authorized Cost	\$ 192,246.03
Percentage Increase over Original Authorized Cost	-16%
Percentage Completion	100%
Original Target Completion Date	6/30/2020
Revised Target Completion Date	8/31/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Reeds Road ATC System & HVAC Controls
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 480,000.00		\$ 480,000.00	\$ 480,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	(6,260.00)		(6,260.00)	(6,260.00)
Total Revenues	<u>473,740.00</u>	<u>-</u>	<u>473,740.00</u>	<u>473,740.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	50,950.00	\$ 1,050.00	52,000.00	52,000.00
Construction Services	421,740.00		421,740.00	421,740.00
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>472,690.00</u>	<u>1,050.00</u>	<u>473,740.00</u>	<u>473,740.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,050.00</u>	<u>\$ (1,050.00)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-045-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 480,000.00
Additional Authorized Cost	\$ (6,260.00)
Revised Authorized Cost	\$ 473,740.00
Percentage Increase over Original Authorized Cost	-1%
Percentage Completion	100%
Original Target Completion Date	6/30/2020
Revised Target Completion Date	8/31/2020

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 GTMS ATC System & HVAC Controls
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects		\$ (23,915.00)	(23,915.00)	(23,915.00)
Total Revenues	<u>500,000.00</u>	<u>(23,915.00)</u>	<u>476,085.00</u>	<u>476,085.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				
Construction Services		476,085.00	476,085.00	476,085.00
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>-</u>	<u>476,085.00</u>	<u>476,085.00</u>	<u>476,085.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 500,000.00</u>	<u>\$ (500,000.00)</u>	<u>-</u>	<u>-</u>
Additional Project Information:				
Project Number	1690-016-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 500,000.00			
Additional Authorized Cost	\$ (23,915.00)			
Revised Authorized Cost	\$ 476,085.00			
Percentage Increase over Original Authorized Cost	-5%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2020			
Revised Target Completion Date	8/31/2020			

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Arthur Rann Elementary School Security Vestibule Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 336,500.00		\$ 336,500.00	\$ 336,500.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	23,733.00		23,733.00	23,733.00
	<u>360,233.00</u>	<u>-</u>	<u>360,233.00</u>	<u>360,233.00</u>
Total Revenues				
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	22,600.00	\$ 6,111.49	28,711.49	30,000.00
Construction Services		319,993.35	319,993.35	330,233.00
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
	<u>22,600.00</u>	<u>326,104.84</u>	<u>348,704.84</u>	<u>360,233.00</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 337,633.00</u>	<u>\$ (326,104.84)</u>	<u>\$ 11,528.16</u>	<u>-</u>
Encumbered			<u>\$ 11,528.16</u>	
Additional Project Information:				
Project Number	1690-015-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 278,000.00			
Additional Authorized Cost	\$ 82,233.00			
Revised Authorized Cost	\$ 360,233.00			
Percentage Increase over Original Authorized Cost	30%			
Percentage Completion	97%			
Original Target Completion Date	3/31/2021			
Revised Target Completion Date	7/31/2021			

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Pomona Preschool Security Vestibule Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 125,000.00		\$ 125,000.00	\$ 125,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	17,670.00	\$ (38.51)	17,631.49	17,631.49
	<u>142,670.00</u>	<u>(38.51)</u>	<u>142,631.49</u>	<u>142,631.49</u>
Total Revenues				
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	9,600.00	2,461.49	12,061.49	15,000.00
Construction Services		100,111.01	100,111.01	127,631.49
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
	<u>9,600.00</u>	<u>102,572.50</u>	<u>112,172.50</u>	<u>142,631.49</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 133,070.00</u>	<u>\$ (102,611.01)</u>	<u>\$ 30,458.99</u>	<u>-</u>
Encumbered			<u>\$ 30,458.99</u>	
Additional Project Information:				
Project Number	1690-040-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 125,000.00			
Additional Authorized Cost	\$ 17,631.49			
Revised Authorized Cost	\$ 142,631.49			
Percentage Increase over Original Authorized Cost	14%			
Percentage Completion	79%			
Original Target Completion Date	3/31/2021			
Revised Target Completion Date	7/31/2021			

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 New District Maintenance/ Storage Building
 For the Inception and for the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 2,062,000.00	\$ 461,100.00	\$ 2,523,100.00	\$ 2,523,100.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	105,756.44	274,425.74	380,182.18	380,182.18
Total Revenues	2,167,756.44	735,525.74	2,903,282.18	2,903,282.18
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	130,664.78	33,606.07	164,270.85	180,000.00
Construction Services		1,456,482.84	1,456,482.84	2,723,282.18
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	130,664.78	1,490,088.91	1,620,753.69	2,903,282.18
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,037,091.66	\$ (754,563.17)	\$ 1,282,528.49	-
Encumbered			\$ 1,245,425.54	
Designated for Subsequent Years Expenditures			37,102.95	
			\$ 1,282,528.49	
Additional Project Information:				
Project Number	1690-X01-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 2,075,000.00			
Additional Authorized Cost	\$ 828,282.18			
Revised Authorized Cost	\$ 2,903,282.18			
Percentage Increase over Original Authorized Cost	40%			
Percentage Completion	56%			
Original Target Completion Date	7/31/2021			
Revised Target Completion Date	7/31/2021			

PROPRIETARY FUNDS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2021

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 104,411.87	\$ 959,283.60	\$ 73,679.95	\$ 54,804.69	\$ 1,192,180.11
Accounts Receivable:					
Federal	295,407.51				295,407.51
Other		3,545.34			3,545.34
Inventories	24,697.19				24,697.19
Total Current Assets	424,516.57	962,828.94	73,679.95	54,804.69	1,515,830.15
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	792,237.07				792,237.07
Less Accumulated Depreciation	(634,116.86)				(634,116.86)
Total Noncurrent Assets	158,120.21	-	-	-	158,120.21
Total Assets	582,636.78	962,828.94	73,679.95	54,804.69	1,673,950.36
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	63,618.83	200,328.41	5,295.88		269,243.12
Due Payroll Fund					
Compensated Absences	32,625.31				32,625.31
Accounts Payable	4,556.56				4,556.56
Unearned Revenue	26,389.67				26,389.67
Total Current Liabilities	127,190.37	200,328.41	5,295.88	-	332,814.66
Noncurrent Liabilities:					
Compensated Absences	130,501.25	-	-	-	130,501.25
Total Liabilities	257,691.62	200,328.41	5,295.88	-	463,315.91
NET POSITION:					
Net Investment in Capital Assets	158,120.21				158,120.21
Unrestricted	166,824.95	762,500.53	68,384.07	54,804.69	1,052,514.24
Total Net Position	\$ 324,945.16	\$ 762,500.53	\$ 68,384.07	\$ 54,804.69	\$ 1,210,634.45

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 32,550.47				\$ 32,550.47
Community Service Activities		\$ 234,860.19		\$ 14,100.00	248,960.19
Total Operating Revenues	32,550.47	234,860.19	-	14,100.00	281,510.66
OPERATING EXPENSES:					
Salaries	963,118.79	267,327.09		2,640.00	1,233,085.88
Employee Benefits	262,371.01	25,833.01		201.97	288,405.99
Purchased Property Services	19,746.16	50,000.00			69,746.16
Purchased Professional and Technical Services	7,989.00	908.97			8,897.97
General Supplies	38,834.21	19,679.71	\$ 494.80	1,343.06	60,351.78
Depreciation	24,044.86				24,044.86
Cost of Sales - Reimbursable Programs	633,199.78				633,199.78
Cost of Sales - Non-Reimbursable Programs	22,452.42				22,452.42
Miscellaneous	2,879.66	20,121.18		587.21	23,588.05
Total Operating Expenses	1,974,635.89	383,869.96	494.80	4,772.24	2,363,772.89
Operating Income / (Loss)	(1,942,085.42)	(149,009.77)	(494.80)	9,327.76	(2,082,262.23)
NONOPERATING REVENUES (EXPENSES):					
Federal Sources:					
After School Snack Program	8,328.00				8,328.00
Food Distribution Program	68,562.41				68,562.41
Summer Food Service Program - Breakfast & Lunch	1,779,936.02				1,779,936.02
Summer Food Service Program - Admin	182,484.27				182,484.27
School Programs Emergency Operational Costs	103,390.00				103,390.00
P-EBT Admin Cost Reimb	3,063.00				3,063.00
Local Sources:					
Administrative Fee	11,250.00				11,250.00
Interest Revenue	3,103.91	22,396.82	1,640.97	990.56	28,132.26
Interest Expense	(690.49)				(690.49)
Total Nonoperating Revenues (Expenses)	2,159,427.12	22,396.82	1,640.97	990.56	2,184,455.47
Income (Loss) before Extraordinary Items and Transfers	217,341.70	(126,612.95)	1,146.17	10,318.32	102,193.24
Change in Net Position	217,341.70	(126,612.95)	1,146.17	10,318.32	102,193.24
Net Position -- July 1	192,667.51	889,113.48	67,237.90	44,486.37	1,193,505.26
Prior Period Adjustment	(85,064.05)				(85,064.05)
Net Position -- July 1 (Restated)	107,603.46	889,113.48	67,237.90	44,486.37	1,108,441.21
Net Position -- June 30	\$ 324,945.16	\$ 762,500.53	\$ 68,384.07	\$ 54,804.69	\$ 1,210,634.45

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Food Service	Child Care Program	Gifted and Talented Consortium #	Community Education	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 35,769.75	\$ 235,283.19		\$ 14,100.00	\$ 285,152.94
Payments to Employees	(949,626.92)	(267,327.09)		(2,640.00)	(1,219,594.01)
Payments for Employee Benefits	(262,371.01)	(25,833.01)		(201.97)	(288,405.99)
Payments to Suppliers	(711,157.03)	(90,709.86)	\$ (494.80)	(1,930.27)	(804,291.96)
Net Cash Provided by (used for) Operating Activities	<u>(1,887,385.21)</u>	<u>(148,586.77)</u>	<u>(494.80)</u>	<u>9,327.76</u>	<u>(2,027,139.02)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	474.93				474.93
Federal Sources	1,916,524.09				1,916,524.09
Local Sources	15,000.00				15,000.00
Operating Subsidies and Transfers to (from) Other Funds		50,000.00			50,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,931,999.02</u>	<u>50,000.00</u>	<u>-</u>	<u>-</u>	<u>1,981,999.02</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of Capital Assets	(4,767.10)				(4,767.10)
Payment of Capital Lease	(10,716.00)				(10,716.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(15,483.10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,483.10)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	3,103.91	22,396.82	1,640.97	990.56	28,132.26
Net Increase (Decrease) in Cash and Cash Equivalents	32,234.62	(76,189.95)	1,146.17	10,318.32	(32,490.84)
Cash and Cash Equivalents -- July 1	72,177.25	1,035,473.55	72,533.78	44,486.37	1,224,670.95
Cash and Cash Equivalents -- June 30	<u>\$ 104,411.87</u>	<u>\$ 959,283.60</u>	<u>\$ 73,679.95</u>	<u>\$ 54,804.69</u>	<u>\$ 1,192,180.11</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	<u>\$ (1,942,085.42)</u>	<u>\$ (149,009.77)</u>	<u>\$ (494.80)</u>	<u>\$ 9,327.76</u>	<u>\$ (2,082,262.23)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation and Net Amortization	24,044.86				24,044.86
(Increase) Decrease in Accounts Receivable, net	6,796.90	423.00			7,219.90
(Increase) Decrease in Inventories	9,387.63				9,387.63
Increase (Decrease) in Accounts Payable	3,771.42				3,771.42
Increase (Decrease) in Unearned Revenue	(3,577.62)				(3,577.62)
Increase (Decrease) in Interfund Payable	785.15				785.15
Increase (Decrease) in Compensated Absences	13,491.87				13,491.87
Total Adjustments	<u>54,700.21</u>	<u>423.00</u>	<u>-</u>	<u>-</u>	<u>55,123.21</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,887,385.21)</u>	<u>\$ (148,586.77)</u>	<u>\$ (494.80)</u>	<u>\$ 9,327.76</u>	<u>\$ (2,027,139.02)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 68,562.41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 68,562.41</u>

LONG-TERM DEBT

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds -- Series 2009	7-1-09	\$ 2,366,000.00	3-1-20/24	\$ 169,000.00	4.750%	<u>\$ 676,000.00</u>	<u>-</u>	<u>\$ 169,000.00</u>	<u>\$ 507,000.00</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2021

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2020 (a)</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2021 (a)</u>
			<u>Principal</u>	<u>Interest</u>				
Computer Systems	7-1-16	5 Years	\$ 279,212.16	\$ 19,572.69	3.51%	\$ 57,732.25	\$ 57,732.25	
Computer Systems	7-1-17	5 Years	412,087.80	32,348.89	3.93%	167,823.21	82,295.35	\$ 85,527.86
Maintenance Equipment	7-1-17	3 Years	116,547.25	5,201.46	3.00%	20,113.91	20,113.91	
Computer Systems	7-1-18	5 Years	143,697.28	14,535.01	5.06%	86,078.33	27,287.68	58,790.65
						<u>\$ 331,747.70</u>	<u>\$ 187,429.19</u>	<u>\$ 144,318.51</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 122,610.00	-	\$ 122,610.00	\$ 122,610.00	-
State Sources:					
Debt Service Aid Type II	78,500.00	-	78,500.00	78,500.00	-
Total Revenues	<u>201,110.00</u>	<u>-</u>	<u>201,110.00</u>	<u>201,110.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	32,110.00		32,110.00	32,110.00	
Redemption of Principal	169,000.00		169,000.00	169,000.00	
Total Regular Debt Service	<u>201,110.00</u>	<u>-</u>	<u>201,110.00</u>	<u>201,110.00</u>	<u>-</u>
Total Expenditures	<u>201,110.00</u>	<u>-</u>	<u>201,110.00</u>	<u>201,110.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	<u>0.67</u>	<u>-</u>	<u>0.67</u>	<u>0.67</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.67</u>	<u>-</u>	<u>\$ 0.67</u>	<u>\$ 0.67</u>	<u>-</u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 27,312,158.54	\$ 26,674,200.29	\$ 26,792,240.78	\$ 27,274,364.12	\$ 28,142,115.88	\$ 29,430,670.78	\$ 29,504,631.91	\$ 27,754,527.02	\$ 26,880,038.62	\$ 27,208,755.45
Restricted	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87	8,215,621.54	7,826,056.59
Unrestricted (Deficit)	(21,458,875.55)	(22,416,823.93)	(23,363,461.35)	(22,421,910.19)	(20,993,384.90)	(19,820,027.31)	(18,994,065.22)	(313,581.87)	(439,512.46)	(533,876.61)
Total Governmental Activities Net Position	\$ 18,407,919.59	\$ 18,141,432.12	\$ 18,526,361.34	\$ 19,261,298.04	\$ 19,838,637.91	\$ 22,391,082.07	\$ 20,621,251.00	\$ 35,814,871.02	\$ 34,656,147.70	\$ 34,500,935.43
Business-type Activities:										
Net Investment in Capital Assets	\$ 158,120.21	\$ 177,397.97	\$ 168,549.74	\$ 179,396.66	\$ 158,034.86	\$ 127,487.57	\$ 87,711.45	\$ 87,213.07	\$ 94,792.27	\$ 96,143.65
Unrestricted (Deficit)	1,052,514.24	1,016,107.29	1,071,212.65	947,213.43	775,299.78	523,149.07	367,730.64	170,171.91	76,324.09	33,925.31
Total Business-type Activities Net Position	\$ 1,210,634.45	\$ 1,193,505.26	\$ 1,239,762.39	\$ 1,126,610.09	\$ 933,334.64	\$ 650,636.64	\$ 455,442.09	\$ 257,384.98	\$ 171,116.36	\$ 130,068.96
District-wide:										
Net Investment in Capital Assets	\$ 27,470,278.75	\$ 26,851,598.26	\$ 26,960,790.52	\$ 27,453,760.78	\$ 28,300,150.74	\$ 29,558,158.35	\$ 29,592,343.36	\$ 27,841,740.09	\$ 26,974,830.89	\$ 27,304,899.10
Restricted	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87	8,215,621.54	7,826,056.59
Unrestricted (Deficit)	(20,406,361.31)	(21,400,716.64)	(22,292,248.70)	(21,474,696.76)	(20,218,085.12)	(19,296,878.24)	(18,626,334.58)	(143,409.96)	(363,188.37)	(499,951.30)
Total District-wide Net Position	\$ 19,618,554.04	\$ 19,334,937.38	\$ 19,766,123.73	\$ 20,387,908.13	\$ 20,771,972.55	\$ 23,041,718.71	\$ 21,076,693.09	\$ 36,072,256.00	\$ 34,827,264.06	\$ 34,631,004.39

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2018, the School District adopted GASB No. 75, which required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The June 30, 2017 balance has not been restated on this schedule for the adoption of GASB 75.

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 17,271,859.78	\$ 17,713,813.06	\$ 17,336,129.69	\$ 17,172,218.19	\$ 16,933,499.34	\$ 16,118,409.83	\$ 16,460,049.90	\$ 15,960,197.21	\$ 16,085,642.04	\$ 15,114,178.65
Special Education	12,712,141.91	10,642,230.08	10,403,966.16	9,694,002.75	9,072,417.06	8,821,719.03	8,545,879.18	8,668,154.14	8,364,138.16	7,125,795.98
Other Special Education	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31	1,647,876.41	1,513,285.06
Other Instruction	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16	83,385.89	80,099.62
Tuition	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53	1,073,501.55	1,597,301.48
Support Services:										
Student and Instruction Related Services	8,457,412.60	7,462,237.38	6,608,268.56	5,966,902.42	6,308,933.43	6,170,609.09	5,471,561.47	5,172,731.41	5,208,472.29	4,935,163.87
School Administrative Services	1,935,307.83	1,980,956.71	2,013,880.77	1,938,561.91	1,975,011.39	1,888,409.27	1,973,497.26	1,804,811.83	1,789,785.38	1,749,480.54
Other Administrative Services	1,796,309.65	1,666,137.79	1,830,934.82	1,529,696.19	1,558,350.71	1,660,478.62	1,577,643.46	1,509,566.90	1,578,291.28	1,621,365.95
Plant Operations and Maintenance	6,113,359.79	5,067,347.92	4,790,989.68	4,955,231.87	4,806,520.07	4,196,660.48	3,772,617.40	3,705,773.93	3,510,017.33	3,319,336.33
Pupil Transportation	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41	3,615,225.70	3,521,741.47
Unallocated Benefits	33,242,278.82	25,802,227.32	28,222,468.95	32,953,923.31	27,978,164.49	22,244,578.29	18,989,270.29	11,424,206.21	11,267,396.09	10,878,140.29
Reimbursed TPAF and Social Security	2,019,094.59	1,967,211.78	1,944,126.01	1,886,175.94	4,161,311.54	6,001,746.94	5,166,151.40	4,457,212.31	4,983,140.53	4,000,535.91
Transfer to Charter School	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00	855,139.00	1,112,099.00
Interest on Long-term Debt	25,885.03	33,912.54	41,940.03	49,967.54	57,816.64	111,866.22	217,409.41	302,519.26	485,093.95	397,342.55
Unallocated Depreciation	4,042.64	4,442.54	4,442.54	4,442.54	4,442.53	4,442.53	4,442.53	4,442.53	4,442.53	4,442.53
Total Governmental Activities Expenses	92,065,895.13	80,130,856.09	81,337,419.64	84,100,438.23	81,165,811.74	74,372,142.19	70,127,744.24	60,710,156.14	60,551,548.13	56,970,309.23
Business-type Activities:										
Food Service	1,975,326.38	2,057,092.22	2,025,396.47	1,989,769.36	1,823,089.03	1,719,418.70	1,670,911.59	1,733,933.38	1,758,664.36	1,830,309.28
Childcare Program	383,869.96	341,601.29	397,404.71	300,199.12	251,193.01	204,892.68	190,065.80	243,731.57	234,815.91	257,722.19
Gifted and Talented Consortium	494.80	27,665.70	25,112.04	27,398.76	30,069.93	31,768.46	30,375.65	31,617.53	28,463.29	24,888.49
Community Education	4,772.24	21,795.51	25,513.64	24,664.43	22,421.78	22,259.67	24,236.77	33,256.01	22,343.44	37,541.55
Total Business-type Activities Expense	2,364,463.38	2,448,154.72	2,473,426.86	2,342,031.67	2,126,773.75	1,978,339.51	1,915,589.81	2,042,538.49	2,044,287.00	2,150,461.51
Total District Expenses	\$ 94,430,358.51	\$ 82,579,010.81	\$ 83,810,846.50	\$ 86,442,469.90	\$ 83,292,585.49	\$ 76,350,481.70	\$ 72,043,334.05	\$ 62,752,694.63	\$ 62,595,835.13	\$ 59,120,770.74
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 28,907,978.68	\$ 17,952,120.95	\$ 20,088,558.38	\$ 24,698,039.18	\$ 21,721,635.62	\$ 18,121,470.70	\$ 14,017,721.69	\$ 6,605,629.07	\$ 7,083,244.90	\$ 5,799,743.72
Charges for Services	1,011,092.58	976,400.81	1,185,529.57	903,764.44	399,984.60	288,529.26	548,979.47	242,050.23	184,037.85	125,926.88
Total Governmental Activities Program Revenues	29,919,071.26	18,928,521.76	21,274,087.95	25,601,803.62	22,121,620.22	18,409,999.96	14,566,701.16	6,847,679.30	7,267,282.75	5,925,670.60
Business-type activities:										
Charges for Services:										
Food service	43,800.47	390,886.63	577,021.98	573,751.50	518,226.81	477,690.71	550,464.20	610,028.19	649,570.14	738,040.81
Childcare Program	234,860.19	413,292.38	438,733.49	384,134.05	394,271.15	395,483.55	394,120.24	317,753.21	269,128.17	234,956.43
Gifted and Talented Consortium		26,182.41	23,841.40	28,368.45	29,026.35	32,857.70	36,210.00	38,480.00	33,235.00	28,645.00
Community Education and Recreation	14,100.00	3,073.33	24,290.25	25,084.06	22,995.94	24,961.11	27,864.10	27,125.00	23,715.00	21,937.00
Operating Grants and Contributions	2,145,763.70	1,541,893.04	1,513,425.13	1,522,202.92	1,443,431.82	1,178,515.31	1,014,522.51	1,055,018.89	1,035,508.52	1,012,830.38
Total Business-type Activities Program Revenues	2,438,524.36	2,375,327.79	2,577,312.25	2,533,540.98	2,407,952.07	2,109,508.38	2,023,181.05	2,048,405.29	2,011,156.83	2,036,409.62
Total District Program Revenues	\$ 32,357,595.62	\$ 21,303,849.55	\$ 23,851,400.20	\$ 28,135,344.60	\$ 24,529,572.29	\$ 20,519,508.34	\$ 16,589,882.21	\$ 8,896,084.59	\$ 9,278,439.58	\$ 7,962,080.22
Net (Expense)/Revenue:										
Governmental Activities	\$ (62,146,823.87)	\$ (61,202,334.33)	\$ (60,063,331.69)	\$ (58,498,634.61)	\$ (59,044,191.52)	\$ (55,962,142.23)	\$ (55,561,043.08)	\$ (53,862,476.84)	\$ (53,284,265.38)	\$ (51,044,638.63)
Business-type Activities	74,060.98	(72,826.93)	103,885.39	191,509.31	281,178.32	131,168.87	107,591.24	5,866.80	(33,130.17)	(114,051.89)
Total District-wide Net Expense	\$ (62,072,762.89)	\$ (61,275,161.26)	\$ (59,959,446.30)	\$ (58,307,125.30)	\$ (58,763,013.20)	\$ (55,830,973.36)	\$ (55,453,451.84)	\$ (53,856,610.04)	\$ (53,317,395.55)	\$ (51,158,690.52)

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 33,872,502.00	\$ 33,208,335.00	\$ 32,557,191.00	\$ 32,076,050.00	\$ 31,447,108.00	\$ 30,606,570.00	\$ 30,454,298.00	\$ 29,255,010.00	\$ 27,975,500.00	\$ 27,975,500.00
Taxes Levied for Debt Service	122,610.00	127,504.00	132,398.00	72,956.00		859,841.00	893,774.00	938,830.00	1,153,968.00	1,197,788.00
Restricted and Unrestricted Grants and Contributions	27,237,195.08	26,404,570.76	25,578,274.80	24,825,077.26	24,790,739.39	25,975,818.22	25,115,182.13	24,622,892.32	24,170,791.50	24,017,571.68
Investment Earnings										42,942.01
Other Transfers	1,193,864.14	1,076,995.35	1,060,531.19	947,211.48	253,899.97	296,839.81	302,466.90	284,618.11	212,683.29	239,256.85
						(7,095.73)	(91,462.97)	(60,150.27)	(73,465.14)	(20,461.38)
Total Governmental Activities	62,426,171.22	60,817,405.11	59,328,394.99	57,921,294.74	56,491,747.36	57,731,973.30	56,674,258.06	55,021,200.16	53,439,477.65	53,452,597.16
Business-type Activities:										
Investment Earnings	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	1,240.81	650.49	401.82	354.60	886.32
Insurance Recovery						55,689.14				
Transfers						7,095.73	89,815.38	80,000.00	73,822.97	15,000.00
Total Business-type Activities	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	64,025.68	90,465.87	80,401.82	74,177.57	15,886.32
Total District-wide	\$ 62,454,303.48	\$ 60,843,974.91	\$ 59,337,661.90	\$ 57,923,060.88	\$ 56,493,267.04	\$ 57,795,998.98	\$ 56,764,723.93	\$ 55,101,601.98	\$ 53,513,655.22	\$ 53,468,483.48
Change in Net Position:										
Governmental Activities	\$ 279,347.35	\$ (384,929.22)	\$ (734,936.70)	\$ (577,339.87)	\$ (2,552,444.16)	\$ 1,769,831.07	\$ 1,113,214.98	\$ 1,158,723.32	\$ 155,212.27	\$ 2,407,958.53
Business-type Activities	102,193.24	(46,257.13)	113,152.30	193,275.45	282,698.00	195,194.55	198,057.11	86,268.62	41,047.40	(98,165.57)
Total District	\$ 381,540.59	\$ (431,186.35)	\$ (621,784.40)	\$ (384,064.42)	\$ (2,269,746.16)	\$ 1,965,025.62	\$ 1,311,272.09	\$ 1,244,991.94	\$ 196,259.67	\$ 2,309,792.96

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2018, the School District adopted GASBS No. 75, which required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. Revenues and expenses prior to June 30, 2018 are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 11,411,017.50	\$ 10,795,818.10	\$ 13,222,079.29	\$ 12,411,386.67	\$ 12,556,470.45	\$ 11,708,926.30	\$ 9,351,513.26	\$ 7,458,757.42	\$ 6,829,713.07	\$ 6,660,667.35
Assigned	1,349,762.49	1,881,633.40	412,001.28	585,800.87	779,528.65	785,869.71	515,562.82	415,983.60	918,122.16	731,173.95
Unassigned (Deficit)	709,356.34	(748,237.56)	(809,807.76)	(767,938.83)	(679,985.32)	(691,208.06)	(676,986.34)	1,452,987.05	1,072,889.31	1,035,252.93
Total General Fund	<u>\$ 13,470,136.33</u>	<u>\$ 11,929,213.94</u>	<u>\$ 12,824,272.81</u>	<u>\$ 12,229,248.71</u>	<u>\$ 12,656,013.78</u>	<u>\$ 11,803,587.95</u>	<u>\$ 9,190,089.74</u>	<u>\$ 9,327,728.07</u>	<u>\$ 8,820,724.54</u>	<u>\$ 8,427,094.23</u>
All Other Governmental Funds:										
Restricted for:										
Capital Projects Fund	\$ 1,324,515.64	\$ 3,088,237.66	\$ 1,849,775.59	\$ 1,997,457.44	\$ 77,193.00	\$ 403,539.68	\$ 206,521.68	\$ 415,874.63	\$ 1,108,933.43	\$ 1,277,933.43
Special Revenue Fund	92,025.62		25,727.03		10,481.55	37,714.55	17,003.00			
Debt Service Fund	0.67	0.67	0.17	0.17	64,336.67	169,000.99	169,000.49	169,001.49	169,000.99	1.25
Unassigned (Deficit):										
Special Revenue Fund	(238,407.67)	(123,936.00)		(10,230.00)				(10,230.00)	(10,230.00)	(10,230.00)
Total All Other Governmental Funds	<u>\$ 1,178,134.26</u>	<u>\$ 2,964,302.33</u>	<u>\$ 1,875,502.79</u>	<u>\$ 1,987,227.61</u>	<u>\$ 152,011.22</u>	<u>\$ 610,255.22</u>	<u>\$ 392,525.17</u>	<u>\$ 574,646.12</u>	<u>\$ 1,267,704.42</u>	<u>\$ 1,267,704.68</u>

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 33,995,112.00	\$ 33,335,839.00	\$ 32,689,589.00	\$ 32,149,006.00	\$ 31,447,108.00	\$ 31,466,411.00	\$ 31,348,072.00	\$ 30,193,840.00	\$ 29,129,468.00	\$ 29,173,288.00
Other Local Revenue	2,236,723.07	2,076,953.64	2,280,759.64	1,884,907.30	671,640.20	612,325.41	870,784.50	577,319.59	441,598.15	427,082.47
State Sources	42,397,420.79	38,055,211.73	35,560,219.05	32,831,493.10	31,922,693.83	32,153,496.62	30,547,534.71	29,433,375.08	29,504,001.74	27,499,178.74
Federal Sources	4,440,682.62	2,097,237.50	3,219,102.25	3,083,824.96	3,001,020.55	2,706,145.96	1,716,717.98	1,744,495.06	1,705,157.65	2,299,179.93
Total Revenue	83,069,938.48	75,565,241.87	73,749,669.94	69,949,231.36	67,042,462.58	66,938,378.99	64,483,109.19	61,949,029.73	60,780,225.54	59,398,729.14
Expenditures:										
Instruction										
Regular Instruction	16,142,916.11	16,542,435.29	16,162,043.93	15,933,709.30	15,826,528.93	14,772,242.99	15,169,722.05	14,694,960.85	14,802,353.48	14,122,078.67
Special Education Instruction	11,881,235.89	9,938,481.45	9,699,359.73	8,994,843.88	8,479,338.39	8,084,952.45	7,875,954.97	7,981,034.76	7,828,659.01	6,658,925.40
Other Special Instruction	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31	1,647,876.41	1,513,285.06
Other Instruction	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16	83,385.89	80,099.62
Tuition	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53	1,073,501.55	1,597,301.48
Support Services:										
Student and Instruction Related Services	8,450,259.84	7,455,419.86	6,600,445.30	5,959,079.16	6,301,110.18	6,162,785.84	5,463,738.22	5,164,908.16	5,200,649.03	4,927,340.62
School Administrative Services	1,891,748.23	1,932,772.17	1,965,696.22	1,870,319.39	1,906,768.87	1,837,883.36	1,895,569.37	1,737,279.54	1,773,367.97	1,733,063.13
Other Administrative Services	1,989,921.30	1,871,167.84	2,028,401.00	1,701,278.62	1,631,612.82	1,679,821.37	1,557,776.35	1,533,662.92	1,557,549.23	1,585,435.34
Plant Operations and Maintenance	5,878,855.95	4,835,710.06	4,561,978.43	4,754,796.81	4,649,835.55	4,082,544.45	3,606,700.96	3,656,043.31	3,459,950.21	3,280,615.91
Pupil Transportation	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41	3,615,225.70	3,521,741.47
Unallocated Benefits	14,353,055.82	13,639,263.32	13,364,224.95	12,442,120.31	11,825,764.49	12,406,634.29	11,805,331.29	11,424,206.21	11,267,396.09	10,878,140.29
On-behalf of Pension and Social Security	11,757,895.59	9,467,148.78	9,221,845.01	7,775,233.94	6,903,862.54	6,001,746.94	5,166,151.40	4,457,212.31	4,983,140.53	4,000,535.91
Transfers to Charter School	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00	855,139.00	1,112,099.00
Debt Service:										
Principal	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	1,554,000.00	1,549,000.00	1,559,000.00	1,579,000.00	1,574,000.00
Interest and Other Charges	32,110.00	40,137.50	48,165.00	56,192.50	64,220.00	127,647.50	188,115.00	251,742.50	307,146.26	385,212.50
Capital Outlay	2,540,045.05	1,689,626.13	1,448,635.94	1,463,525.61	860,106.60	236,573.92	2,484,123.95	2,001,394.40	278,789.99	1,652,447.90
Total Expenditures	83,575,246.27	75,371,501.37	73,410,067.94	69,069,415.09	66,927,492.91	64,100,055.00	64,711,405.50	62,161,985.37	60,313,130.35	58,622,322.30
Excess (Deficiency) of Revenues Over (Under) Expenditures	(505,307.79)	193,740.50	339,602.00	879,816.27	114,969.67	2,838,323.99	(228,296.31)	(212,955.64)	467,095.19	776,406.84
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)			143,697.28	528,635.05	279,212.16			107,051.14		
Accounts Receivable/Payable Canceled Transfers Out						(7,095.73)	(89,815.38)	(80,000.00)	357.83	(5,461.38)
Total Other Financing Sources (Uses)	-	-	143,697.28	528,635.05	279,212.16	(7,095.73)	(91,462.97)	26,900.87	(73,465.14)	(20,461.38)
Net Change in Fund Balances	\$ (505,307.79)	\$ 193,740.50	\$ 483,299.28	\$ 1,408,451.32	\$ 394,181.83	\$ 2,831,228.26	\$ (319,759.28)	\$ (186,054.77)	\$ 393,630.05	\$ 755,945.46
Debt Service as a Percentage of Noncapital Expenditures	0.2%	0.3%	0.3%	0.3%	0.4%	2.6%	2.8%	3.0%	3.1%	3.4%

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Rentals		\$ 6,247.29	\$ 9,082.69	\$ 10,733.97	\$ 22,456.79					\$ 400.00
Jury Duty								\$ 60.00	\$ 30.00	15.00
Settlement								6,252.30		
Recycling/Scrap		244.50	408.00							
Restitution					2,544.00	\$ 1,066.61	\$ 1,176.00	400.00		12.72
Lost Book Fines										16.99
Miscellaneous Refunds	\$ 52,433.52							5,191.97	2,596.34	
Miscellaneous Refunds - FEMA			59,775.00							
Energy Credits	58,617.90	87,260.96	59,549.67	78,909.07	75,394.54	108,427.80	131,072.70	18,018.00	38,359.70	121,477.20
Insurance Refunds	13,359.00	1,000.00	575,147.00	499,922.00					173.32	33,399.11
PILOT Agreement with Township		31,599.30	31,600.34	94,800.34						
Childcare Rent			50,000.00	45,000.00						
Shared Service Agreements		129,518.72	34,377.26							
Rebates	226,225.19	86,868.96	84,904.42	50,656.18	86,636.70	120,373.44	107,318.27	86,115.75	74,239.67	
Other	88,214.49	48,727.75	64,601.37	94,173.86	41,905.05	23,489.23	10,517.14	10,689.93	2,932.63	12,813.67
FEMA Reimbursement							7,269.61	209.23	34,366.41	2,093.30
Sale of Board Assets	368,672.75	2,395.00	13,487.00							
Service Fees								66,418.75	35,561.75	48,775.10
Cancelation of Outstanding Checks	433.26	459.61		171.44					713.04	
Prior Year Refunds		338,600.54	14,660.27	48,771.45	3,881.29	23,783.26	28,315.68	53,739.04	2,825.00	20,253.76
Interest Earned on Deposits	385,908.13	344,072.72	122,713.17	24,073.17	21,081.60	19,699.47	16,797.50	37,523.14	20,885.43	42,942.01
Total Miscellaneous Revenues	<u>\$ 1,193,864.24</u>	<u>\$ 1,076,995.35</u>	<u>\$ 1,120,306.19</u>	<u>\$ 947,211.48</u>	<u>\$ 253,899.97</u>	<u>\$ 296,839.81</u>	<u>\$ 302,466.90</u>	<u>\$ 284,618.11</u>	<u>\$ 212,683.29</u>	<u>\$ 282,198.86</u>

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2021	\$ 60,417,000.00	\$ 2,246,523,300.00	\$ 30,668,900.00	\$ 344,534,900.00	\$ 3,166,000.00	\$ 54,683,900.00	\$ 2,739,994,000.00		\$ 2,739,994,000.00	\$ 829,994,697.00	\$ 2,951,307,734.00	\$ 1.240
2020	62,434,800.00	2,235,599,000.00	30,475,100.00	341,748,400.00	3,170,300.00	54,683,900.00	2,728,111,500.00		2,728,111,500.00	810,569,697.00	2,880,688,068.00	1.234
2019	63,699,700.00	2,228,850,700.00	30,500,600.00	332,914,600.00	3,170,300.00	54,683,900.00	2,713,819,800.00		2,713,819,800.00	804,458,997.00	2,746,781,275.00	1.217
2018	69,010,600.00	2,218,978,600.00	34,010,200.00	314,252,000.00	3,170,300.00	54,683,900.00	2,694,105,600.00		2,694,105,600.00	821,892,897.00	2,752,457,703.00	1.204
2017	71,322,300.00	2,221,750,400.00	33,342,000.00	301,982,900.00	3,470,300.00	61,759,900.00	2,693,627,800.00		2,693,627,800.00	825,423,097.00	2,765,815,587.00	1.180
2016	73,359,300.00	2,222,039,900.00	33,292,800.00	300,913,700.00	6,880,600.00	61,759,900.00	2,698,246,200.00		2,698,246,200.00	820,214,597.00	2,915,132,022.00	1.165
2015	75,290,000.00	2,223,810,300.00	33,028,300.00	303,890,100.00	7,080,600.00	61,759,900.00	2,704,859,200.00	\$ 5,670,946.00	2,710,530,146.00	819,831,440.00	2,995,060,935.00	1.158
2014	79,309,200.00	2,219,575,900.00	32,008,100.00	306,583,000.00	7,874,400.00	61,759,900.00	2,707,110,500.00	6,299,272.00	2,713,409,772.00	815,827,497.00	2,851,397,012.00	1.135
2013	125,817,700.00	2,904,657,900.00	37,982,000.00	375,739,500.00	12,455,200.00	64,640,000.00	3,521,292,300.00	7,868,387.00	3,529,160,687.00	832,418,720.00	3,173,644,077.00	0.840
2012	129,441,200.00	2,965,724,000.00	36,956,800.00	391,367,700.00	15,808,000.00	71,190,000.00	3,610,487,700.00	8,862,297.00	3,619,349,997.00	836,050,320.00	3,382,204,070.00	0.806

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Atlantic County Board of Taxation

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Galloway	Atlantic County	
2021	\$ 1.236	\$ 0.004	\$ 1.240	\$ 0.708	\$ 0.614	\$ 0.585	\$ 3.147
2020	1.229	0.005	1.234	0.685	0.615	0.563	3.097
2019	1.212	0.005	1.217	0.658	0.617	0.548	3.040
2018	1.201	0.003	1.204	0.694	0.619	0.566	3.083
2017	1.180		1.180	0.688	0.642	0.573	3.083
2016	1.133	0.032	1.165	0.673	0.663	0.555	3.056
2015	1.125	0.033	1.158	0.662	0.673	0.549	3.042
2014	1.100	0.035	1.135	0.645	0.684	0.477	2.941
2013	0.807	0.033	0.840	0.470	0.480	0.415	2.205
2012	0.773	0.033	0.806	0.449	0.450	0.349	2.054

(1) Revaluation

Source: Municipal Tax Collector

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2021			2012		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Marriott Ownership Resorts Inc	\$ 44,564,600.00	1	1.63%	\$ 55,196,500.00	1	1.53%
JSM at Galloway, LLC	38,689,800.00	2	1.41%	39,209,800.00	3	1.08%
Galloway Apartments, LLC	37,000,000.00	3	1.35%	44,550,000.00	2	1.23%
Seaview Resort Acquisition Group LLC	14,471,600.00	4	0.53%			
Galloway Sen Prop	10,369,500.00	5	0.38%			
300 E. Jimmie Leeds Rd	10,150,000.00	6	0.37%	11,772,400.00	5	0.33%
One Madison LLC	9,000,000.00	7	0.33%			
Galloway Real Property, LLC	7,600,000.00	8	0.28%			
Towne of Historic Smithville LLC	6,381,300.00	9	0.23%			
VVP3 LLC % Vasco Ventures	5,760,000.00	10	0.21%			
BTR Tilton				12,558,000.00	4	0.35%
Galloway National Golf Club				11,699,000.00	6	0.32%
Holualoa Smithville LLC				11,581,600.00	7	0.32%
Ole Hansen & Son Blue Heron				11,373,800.00	8	0.31%
Route 27 Acquisition LLC				10,477,200.00	9	0.29%
CNL Galloway, LLC				10,369,500.00	10	0.29%
Total	<u>\$ 183,986,800.00</u>		<u>6.71%</u>	<u>\$ 218,787,800.00</u>		<u>6.04%</u>

Source: Municipal Tax Assessor

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2021	\$ 33,872,502.00	\$ 33,872,502.00	100.00%	
2020	33,208,335.00	33,208,335.00	100.00%	
2019	32,821,987.00	32,821,987.00	100.00%	
2018	32,221,962.00	32,221,962.00	100.00%	
2017	31,447,108.00	31,447,108.00	100.00%	
2016	31,466,411.00	31,466,411.00	100.00%	
2015	31,348,072.00	31,348,072.00	100.00%	
2014	30,193,840.00	30,193,840.00	100.00%	
2013	29,129,468.00	29,129,468.00	100.00%	
2012	29,173,288.00	29,173,288.00	100.00%	

(1) 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.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District Debt	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases (1)	Bond Anticipation Notes	Capital Leases (1)				
2021	\$ 507,000.00	-	\$ 144,318.51	-	-	\$ 651,318.51	Unavailable	Unavailable	
2020	676,000.00	-	331,747.70	-	-	1,007,747.70	Unavailable	\$ 28.40	
2019	845,000.00	-	531,996.06	-	-	1,376,996.06	0.08%	38.68	
2018	1,014,000.00	-	588,120.98	-	-	1,602,120.98	0.10%	44.80	
2017	1,183,000.00	-	241,724.66	-	-	1,424,724.66	0.09%	39.61	
2016	1,352,000.00	-	43,643.70	-	-	1,395,643.70	0.09%	38.50	
2015	2,906,000.00	-	64,158.67	-	-	2,970,158.67	0.18%	81.03	
2014	4,455,000.00	-	84,793.16	-	-	4,539,793.16	0.28%	122.61	
2013	6,014,000.00	-	4,578.54	-	-	6,018,578.54	0.38%	161.56	
2012	7,593,000.00	-	7,994.99	-	-	7,600,994.99	0.49%	204.79	

Sources:

- (1) District Records
(2) Personal income has been estimated based upon the municipal population and per capita
(3) Per Capita personal income by municipality-estimated based upon the 2010 Census published

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2021	\$ 507,000.00	-	\$ 507,000.00	0.02%	Unavailable
2020	676,000.00	-	676,000.00	0.02%	\$ 19.05
2019	845,000.00	-	845,000.00	0.03%	23.74
2018	1,014,000.00	-	1,014,000.00	0.04%	28.35
2017	1,183,000.00	-	1,183,000.00	0.04%	32.89
2016	1,352,000.00	-	1,352,000.00	0.05%	37.30
2015	2,906,000.00	-	2,906,000.00	0.11%	79.28
2014	4,455,000.00	-	4,455,000.00	0.16%	120.32
2013	6,014,000.00	-	6,014,000.00	0.17%	161.44
2012	7,593,000.00	-	7,593,000.00	0.21%	204.57

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2020
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Galloway Township</u>
Municipal Debt: (1)				
Galloway Township School District	\$ 676,000.00	\$ 676,000.00		
Greater Egg Harbor Regional High School District	19,097,362.17	19,097,362.17		
Galloway Township	<u>13,995,193.95</u>	<u>5,415,359.31</u>	<u>\$ 8,579,834.64</u>	<u>\$ 8,579,834.64</u>
	<u>33,768,556.12</u>	<u>25,188,721.48</u>	<u>8,579,834.64</u>	<u>8,579,834.64</u>
Overlapping Debt Apportioned to the Municipality:				
County of Atlantic: (2)				
General:				
Bonds	176,554,675.00	8,595,000.00	167,959,675.00	15,025,272.03
Loans	121,652.20		121,652.20	10,882.72
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>91,205,000.00</u>	<u>91,205,000.00</u>		
	<u>267,881,327.20</u>	<u>99,800,000.00</u>	<u>168,081,327.20</u>	<u>15,036,154.75</u>
	<u>\$ 301,649,883.32</u>	<u>\$ 124,988,721.48</u>	<u>\$ 176,661,161.84</u>	<u>\$ 23,615,989.39</u>

Sources:

- (1) 2020 Annual Debt Statement
- (2) County's 2020 Annual Debt Statement
- (3) Utility Authority's 2020 Annual Audit
- (4) Includes County College Bond
- (5) Deductible in accordance with N.J.S. 40:37A-80
- (6) Such debt is allocated as a proportion of the Township's share of the total 2020 Equalized Value, which is 8.95
 The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxat

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

<u>Equalized valuation basis (1)</u>	
\$ 2,938,401,012.00	2020
2,865,702,006.00	2019
<u>2,726,827,530.00</u>	2018
<u>\$ 8,530,930,548.00</u>	
<u>\$ 2,843,643,516.00</u>	Average equalized valuation of taxable property
\$ 85,309,305.48	Debt limit (3% of average equalization value) (2)
<u>507,000.00</u>	Total Net Debt Applicable to Limit
<u>\$ 84,802,305.48</u>	Legal Debt Margin

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 85,309,305.48	\$ 83,444,990.91	\$ 82,493,548.42	\$ 84,448,038.89	\$ 86,841,166.54	\$ 90,018,699.83	\$ 93,255,591.53	\$ 97,321,092.26	\$ 102,484,351.89	\$ 107,857,465.68
Total net debt applicable to limit (3)	<u>507,000.00</u>	<u>676,000.00</u>	<u>845,000.00</u>	<u>1,014,000.00</u>	<u>1,183,000.00</u>	<u>1,352,000.00</u>	<u>2,906,000.00</u>	<u>4,455,000.00</u>	<u>6,014,000.00</u>	<u>7,593,000.00</u>
Legal debt margin	<u>\$ 84,802,305.48</u>	<u>\$ 82,768,990.91</u>	<u>\$ 81,648,548.42</u>	<u>\$ 83,434,038.89</u>	<u>\$ 85,658,166.54</u>	<u>\$ 88,666,699.83</u>	<u>\$ 90,349,591.53</u>	<u>\$ 92,866,092.26</u>	<u>\$ 96,470,351.89</u>	<u>\$ 100,264,465.68</u>
Total net debt applicable to the limit as a percentage of debt limit	0.59%	0.81%	1.02%	1.20%	1.36%	1.50%	3.12%	4.58%	5.87%	7.04%

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
 (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	35,487	Unavailable	Unavailable	16.5%
2019	35,596	\$ 1,732,386,128.00	\$ 50,631.00	4.4%
2018	35,763	1,664,731,887.00	48,668.00	5.1%
2017	35,967	1,674,227,883.00	46,549.00	6.3%
2016	36,250	1,638,173,750.00	45,191.00	6.6%
2015	36,655	1,625,465,975.00	44,345.00	8.5%
2014	37,026	1,613,963,340.00	43,590.00	9.5%
2013	37,252	1,581,496,408.00	42,454.00	10.8%
2012	37,116	1,552,488,048.00	41,828.00	12.2%
2011	37,212	1,519,142,688.00	40,824.00	11.5%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income of Atlantic County-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Atlantic City Medical Center				3,500	1	18%
Federal Aviation Administration				3,000	2	16%
Richard Stockton College				840	3	4%
Marriott Corporation / Marriott Country Club				550	4	3%
Betty Bacharach Rehabilitation Center				525	5	3%
Ole Hansen & Sons		Information Unavailable		400	6	2%
Renault Winery				290	7	2%
Village of Smithville				200	8	1%
Blue Heron Pines				Unavailable	9	Unavailable
Lenox China				Unavailable	10	Unavailable
First Student						
	-		-	200		49.06%

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction										
Regular	219	231	230	226	208	213	205	203	206	212
Special education	77	83	84	86	79	88	85	84	79	74
Other special education	55	39	39	40	37	49	47	47	47	42
Other instruction	33	32	31	32	30	31	30	30	29	26
Support Services:										
Student & instruction related services	99	98	101	91	80	71	68	66	66	62
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	24	24	24	24	24	24	23	23	23	23
Business administrative services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	46	46	46	46	45	50	48	47	47	47
Pupil transportation	1	2	2	2	2	2	2	2	2	2
Food Service	45	48	48	40	25	25	24	26	27	35
Community Education and Recreation	0	0	1	1	2	2	2	2	2	2
Total	<u>608</u>	<u>612</u>	<u>615</u>	<u>597</u>	<u>541</u>	<u>564</u>	<u>543</u>	<u>539</u>	<u>537</u>	<u>534</u>

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2021	3,330	\$ 73,003,066.60	\$ 21,922.84	-0.25%	384	11.8/1	10.6/1	3,154.6	3,013.8	-4.71%	95.54%
2020	3,343	73,472,737.74	21,978.08	1.49%	385	10.9/1	10.3/1	3,317.5	3,204.7	0.87%	96.60%
2019	3,313	71,744,267.00	21,655.38	6.96%	384	11.0/1	11.0/1	3,301.8	3,138.8	0.55%	95.06%
2018	3,328	67,380,696.98	20,246.60	2.04%	384	11.1/1	11.1/1	3,310.6	3,148.0	1.29%	95.09%
2017	3,318	65,834,166.31	19,841.52	5.27%	354	11.2/1	11.2/1	3,288.8	3,138.0	-1.53%	95.41%
2016	3,299	62,181,833.58	18,848.69	2.27%	354	11.3/1	11.3/1	3,283.7	3,141.5	-3.54%	95.67%
2015	3,282	60,490,166.55	18,430.89	8.97%	341	9.6/1	9.6/1	3,268.4	3,126.4	-4.78%	95.66%
2014	3,450	58,349,848.47	16,913.00	2.62%	313	11.5/1	11.5/1	3,339.8	3,191.9	-3.83%	95.57%
2013	3,528	58,148,194.10	16,481.91	6.84%	314	11.5/1	11.5/1	3,404.2	3,207.0	-2.81%	94.21%
2012	3,566	55,010,661.90	15,426.43	5.44%	312	11.6/1	11.6/1	3,432.4	3,285.4	-2.01%	95.72%

Sources: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District Building										
Elementary										
Arthur Rann (1965,1978,1984,1987)										
Square Feet	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531
Capacity (students)	740	740	740	740	740	740	740	740	740	740
Enrollment	664	676	680	656	689	689	647	656	654	657
Cologne (1930,1965)										
Square Feet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished
Oceanville (1927,1953)										
Square Feet	n/a	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260
Capacity (students)	n/a	180	180	180	180	180	180	180	180	180
Enrollment	sold	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Pomona (1930,1965,1979)										
Square Feet	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	97	119	132	132	130	119	107	85	92	72
Reeds Road School (1988)										
Square Feet	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643
Capacity (students)	787	787	787	787	787	787	787	787	787	787
Enrollment	490	542	559	567	557	605	613	617	619	652
Roland Rogers School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	534	573	563	532	540	525	535	532	546	552
Smithville School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	579	663	629	683	648	628	621	640	654	649
South Egg Harbor School (1950)										
Square Feet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished	demolished
Middle School										
Galloway Township Middle School (2000)										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	727	770	750	758	754	755	759	807	824	832

Number of Schools at June 30, 2021
 Elementary = 5
 Middle School = 1
 High School = 0
 Other = 2 buildings demolished and 1 sold.

(A) Oceanville building is being utilized for the maintenance department.

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Galloway Middle School	016	\$ 596,541.81	\$ 373,724.34	\$ 271,016.39	\$ 257,364.89	\$ 510,462.77	\$ 306,503.65	\$ 151,017.05	\$ 149,696.04	\$ 138,173.42	\$ 152,947.57
Arthur Rann	015	314,482.43	162,546.94	215,652.26	229,313.71	176,055.14	125,139.76	103,854.19	87,185.99	181,122.02	93,317.82
Cologne	020		575.09	98.00			153.61	656.14	1,489.58	282.83	682.13
Oceanville	030	19,659.78	76,299.25	78,168.90	74,797.41	29,072.02	22,815.66	25,073.65	39,046.45	26,670.39	19,698.10
Pomona	040	142,440.26	101,143.74	72,292.36	48,391.18	58,844.05	73,475.79	46,344.57	73,802.90	47,408.07	76,945.63
Reeds Road	045	409,118.34	256,909.50	270,243.10	179,913.19	266,186.14	203,176.52	117,862.59	126,537.65	94,582.88	115,698.26
Roland Rogers	046	362,051.73	168,546.71	133,714.66	267,890.62	172,711.77	101,641.46	91,543.61	109,746.06	108,730.93	118,236.54
Smithville	048	333,756.51	203,290.54	122,425.55	335,267.62	155,460.75	123,571.97	116,362.45	114,989.16	103,708.04	112,854.03
South Egg Harbor	050			26.13	242.30	1,187.75	426.69	705.35	885.35	646.46	642.01
Administration	999	198,222.95	57,933.31	42,066.17	112,073.32	49,859.03	38,009.46	54,082.07	28,385.89	42,411.81	53,548.50
Total School Facilities		<u>2,376,273.81</u>	<u>1,400,969.44</u>	<u>1,205,703.52</u>	<u>1,505,254.26</u>	<u>1,419,839.44</u>	<u>994,914.57</u>	<u>707,501.67</u>	<u>731,765.07</u>	<u>743,736.85</u>	<u>744,570.59</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 2,376,273.81</u>	<u>\$ 1,400,969.44</u>	<u>\$ 1,205,703.52</u>	<u>\$ 1,505,254.26</u>	<u>\$ 1,419,839.44</u>	<u>\$ 994,914.57</u>	<u>\$ 707,501.67</u>	<u>\$ 731,765.07</u>	<u>\$ 743,736.85</u>	<u>\$ 744,570.59</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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Insurance Schedule

June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Atlantic & Cape May Counties Association of Joint Insurance Fund		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000.00	\$ 500.00
Crime - JIF Self Insured Retention	250,000.00	500.00
General Liability / Auto Liability - JIF Self Insured Retention	250,000.00	
Educators Legal Liability - JIF Self Insured Retention	250,000.00	
Workers Compensation - JIF Self Insured Retention	250,000.00	
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)		
Property / Inland Marine / Automobile Physical Damage	175,000,000.00	
Crime	500,000.00	
Workers Compensation	Statutory	
General Liability / Auto Liability	20,000,000.00	
Educators' Legal Liability	20,000,000.00	
Travelers Insurance Company		
Boiler and Machinery	125,000,000.00	1,000.00
Beazley / Lloyd's of London		
Pollution Legal Liability	3,000,000.00	25,000.00
Member District Deductible - Mold Incident		100,000-250,000
Starr Surplus Lines Ins. Co.		
Cyber Liability	2,000,000.00	50,000-100,000
Lloyd's of London		
Crisis Protection & Disaster Management Services	1,000,000.00	10,000.00
Non-JIF Coverage		
Selective Insurance Company of America: Business Administrator/Board Secretary	297,000.00	

Excess and Reinsurance Carriers Involved

Property and Crime:

SPELL JIF, Great American Insurance Company
 Westchester Fire Insurance Company
 Mitsui Sumitomo Insurance Company of America
 Everest Insurance Company
 Evanston Insurance Company
 RSUI Indemnity Company
 James River Insurance Company
 BRIT / Lloyd's of London
 Hallmark Specialty Insurance Company
 Houston Casualty Company
 Arch Specialty Insurance Company
 Endurance American Specialty Insurance Company
 Colony Insurance Company
 Ategrity Specialty Insurance Company
 Independent Specialty Insurance Company
 Interstate Fire & Casualty Insurance Company
 QBE Specialty Insurance Company
 Starstone Specialty Insurance Company
 General Security Indemnity Company
 Allied World Assurance Company
 AXIS Insurance Company

General Liability and Automobile Liability:

SPELL JIF, Great American Insurance Company,
 General Reinsurance Corp.

Workers Compensation:

SPELL JIF, Great American Insurance Company,
 Safety National Casualty Corp.

Educators Legal Liability:

SPELL JIF, Great American Insurance Company
 General Reinsurance Corp.

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Galloway School District
County of Atlantic
101 South Reeds Road
Galloway, New Jersey 08205

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Galloway School District's, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Galloway School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Township of Galloway School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 Township of Galloway School District's internal control over compliance.

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2021

Pass-through Grantor/Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2020
						From	To	
General Fund								
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	N/A	2005NJ5MAP	N/A	\$ 202,933.84	7-1-20	6-30-21	
Special Education Medicaid Initiative	93.778	COVID-19	2005NJ5MAP	N/A	24,385.44	7-1-20	6-30-21	
Medicaid Administrative Claiming Aid	93.778	N/A	2005NJ5MAP	N/A	27,931.88	7-1-20	6-30-21	
Total Medical Assistance Program (Medicaid) Cluster								
-								
Total General Fund								
-								
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A190030	NCLB169020	662,650.00	7-1-19	9-30-20	\$ (115,027.00)
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A200030	NCLB169021	674,170.00	7-1-20	9-30-21	
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	N/A	S010A190030	NCLB169020	53,309.00	7-1-19	9-30-20	(4,271.00)
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	N/A	S010A200030	NCLB169021	86,531.00	7-1-20	9-30-21	
Total Title I, Part A Grants to Local Educational Agencies								
(119,298.00)								
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A190029	NCLB169020	122,859.00	7-1-19	9-30-20	(2,679.73)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A200029	NCLB169021	117,105.00	7-1-20	9-30-21	
Total Supporting Effective Instruction State Grants (Title II, Part A) ESSA								
(2,679.73)								
English Language Acquisition (Title III)	84.365	N/A	S365A190030	NCLB169020	22,194.00	7-1-19	9-30-20	(247.95)
English Language Acquisition (Title III)	84.365	N/A	S365A200030	NCLB169021	18,484.00	7-1-20	9-30-21	
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A200030	NCLB169021	3,942.00	7-1-20	9-30-21	
Total English Language Acquisition (Title III)								
(247.95)								
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A190031	NCLB169020	36,321.00	7-1-19	9-30-20	(26,249.43)
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A200031	NCLB169021	49,167.00	7-1-20	9-30-21	
Total Title IV - Student Support and Academic Enrichment (ESSA)								
(26,249.43)								
I.D.E.A. Part B:								
Special Education Cluster:								
Special Education Grants to States (IDEA Basic)	84.027	N/A	H027A190100	FT169020	922,273.00	7-1-19	9-30-20	(194,896.31)
Special Education Grants to States (IDEA Basic)	84.027	N/A	H027A200100	FT169021	981,678.00	7-1-20	9-30-21	
Special Education Preschool Grants (IDEA Preschool)	84.173	N/A	H173A190114	PS169020	39,684.00	7-1-19	9-30-20	(10,151.52)
Special Education Preschool Grants (IDEA Preschool)	84.173	N/A	H173A200114	PS169021	39,851.00	7-1-20	9-30-21	
Total I.D.E.A. Part B Special Education Cluster								
(205,047.83)								
Coronavirus Aid Relief and Economic Security Act 2020 - CARES Act:								
Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425d	COVID-19, 84.425D	S425D200027	Unavailable	657,068.00	5-15-20	9-30-21	(284,791.72)
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425d	COVID-19, 84.425D	S425D210027	Unavailable	2,188,936.00	3-15-21	9-30-22	
Elementary and Secondary School Emergency Relief Fund (Learning Acceleration)	84.425d	COVID-19, 84.425D	S425D210027	Unavailable	140,475.00	3-15-21	9-30-22	
Elementary and Secondary School Emergency Relief Fund (Mental Health)	84.425d	COVID-19, 84.425D	S425D210027	Unavailable	45,000.00	3-15-21	9-30-22	
Total Elementary and Secondary School Emergency Relief Fund								
(284,791.72)								
Total U.S. Department of Education - Passed-through State Department of Education								
(638,314.66)								
U.S. Department of Treasury:								
Passed-through N.J. State Department of Education:								
Coronavirus Relief Funding:								
Bridging the Digital Divide	21.019	COVID-19	SLT0228	Unavailable	663,309.00	8-1-20	10-31-20	
Nonpublic Technology Initiative	21.019	COVID-19	SLT0228	Unavailable	24,013.00	8-1-20	10-31-20	
School Reopening and Remote Learning Grant	21.019	COVID-19	SLT0228	Unavailable	292,237.00	3-1-20	12-31-20	
Total Coronavirus Relief Funding								
-								
Total Special Revenue Fund								
(638,314.66)								
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program - CARES Act	10.553	COVID-19	201NJ304N1099	Unavailable	478,629.15	7-1-19	6-30-20	(18,997.00)
National School Lunch Program - Noncash	10.555	N/A	201NJ304N1099	Unavailable	81,449.38	7-1-19	6-30-20	
National School Lunch Program - Commodities (Noncash)	10.555	N/A	201NJ304N1099	Unavailable	68,562.41	7-1-20	6-30-21	
After School Snack Program	10.555	N/A	201NJ304N1099	Unavailable	18,562.18	7-1-19	6-30-20	
After School Snack Program	10.555	N/A	201NJ304N1099	Unavailable	8,328.00	7-1-20	6-30-21	
National School Lunch Program -CARES Act	10.555	COVID-19	201NJ304N1099	Unavailable	926,604.79	7-1-19	6-30-20	(30,222.50)
Summer Food Service Program for Children - CARES Act	10.559	COVID-19	201NJ304N1099	Unavailable	183,591.74	7-1-20	6-30-21	
Summer Food Service Program for Children	10.559	N/A	201NJ304N1099	Unavailable	1,790,728.18	7-1-20	6-30-21	
School Programs Emergency Operational Costs	10.555	COVID-19	20212H170341	Unavailable	103,390.00	7-1-20	6-30-21	
P-EBT Administrative Cost Reimbursement	10.649	COVID-19	202121S90941	Unavailable	3,063.00	7-1-20	6-30-21	
Total Child Nutrition Cluster								
(49,219.50)								
Total Enterprise Fund								
(49,219.50)								
Total Federal Financial Assistance								
\$ (687,534.16)								

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carry-over Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2021		Due to Grantor
		Pass-through Funds	Direct Funds	Total Budgetary Expenditures				Accounts Receivable	Unearned Revenue	
	\$ 202,933.84	\$ 202,933.84		\$ 202,933.84						
	24,385.44	24,385.44		24,385.44						
	27,931.88	27,931.88		27,931.88						
-	255,251.16	255,251.16	-	255,251.16	-	-	-	-	-	-
-	255,251.16	255,251.16	-	255,251.16	-	-	-	-	-	-
\$ (57,720.00)	172,747.00									
57,720.00	311,089.00	704,042.05		704,042.05			\$ (363,081.00)	\$ 27,847.95		
	4,271.00									
	4,028.00	70,578.31		70,578.31			(82,503.00)	15,952.69		
-	492,135.00	774,620.36	-	774,620.36	-	-	(445,584.00)	43,800.64	-	
(42,916.00)	45,596.00					\$ (0.27)				
42,916.00	85,475.00	131,645.98		131,645.98			(31,630.00)	28,375.02		
-	131,071.00	131,645.98	-	131,645.98	-	(0.27)	(31,630.00)	28,375.02	-	
	248.00					(0.05)				
	6,512.00	21,920.35		21,920.35			(19,391.00)	3,982.65		
	203.00	203.24		203.24			(3,739.00)	3,738.76		
-	6,963.00	22,123.59	-	22,123.59	-	(0.05)	(23,130.00)	7,721.41	-	
(5,564.00)	31,813.00					0.43				
5,564.00	17,971.00	27,312.70		27,312.70			(31,216.00)	27,438.30		
-	49,784.00	27,312.70	-	27,312.70	-	0.43	(31,216.00)	27,438.30	-	
(44,725.00)	239,621.00					0.31				
44,725.00	775,482.00	986,445.08		986,445.08		(0.48)	(206,196.00)	39,957.92		
(2,007.00)	12,159.00									
2,007.00	15,217.00	39,747.97		39,747.97			(24,634.00)	2,110.03		
-	1,042,479.00	1,026,193.05	-	1,026,193.05	-	(0.17)	(230,830.00)	42,067.95	-	
	525,859.00	364,983.64		364,983.64		(0.90)	(131,209.00)	7,291.74		
		1,005,800.68		1,005,800.68			(2,188,936.00)	1,183,135.32		
		6,600.00		6,600.00			(140,475.00)	140,475.00		
-	525,859.00	1,377,384.32	-	1,377,384.32	-	(0.90)	(45,000.00)	38,400.00	-	
-	2,248,291.00	3,359,280.00	-	3,359,280.00	-	(0.96)	(2,505,620.00)	1,369,302.06	-	
	663,309.00	663,309.00		663,309.00						
	23,613.00	23,247.36		23,247.36			(400.00)		\$ 765.64	
	292,237.00	292,097.29		292,097.29					139.71	
-	979,159.00	978,653.65	-	978,653.65	-	-	(400.00)	-	905.35	
-	3,227,450.00	4,337,933.65	-	4,337,933.65	-	(0.96)	(3,268,410.00)	1,518,705.38	905.35	
	18,997.00									
	68,562.41	68,562.41		68,562.41						
	4,930.56	8,328.00		8,328.00			(3,397.44)			
	30,222.50									
	166,334.83	183,591.74		183,591.74			(17,256.91)			
	1,622,428.02	1,790,728.18		1,790,728.18			(168,300.16)			
		103,390.00		103,390.00			(103,390.00)			
		3,063.00		3,063.00			(3,063.00)			
-	1,911,475.32	2,157,663.33	-	2,157,663.33	-	-	(295,407.51)	-	-	
-	1,911,475.32	2,157,663.33	-	2,157,663.33	-	-	(295,407.51)	-	-	
-	\$ 5,394,176.48	\$ 6,750,848.14	-	\$ 6,750,848.14	-	\$ (0.96)	\$ (3,563,817.51)	\$ 1,518,705.38	\$ 905.35	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program Title	State Project Number	Award Amount	Required Match	Grant Period		Balance June 30, 2020	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expenses:							
State Aid - Public:							
Equalization Aid	20-495-034-5120-078	\$ 21,535,033.00	N/A	7-1-19	6-30-20	\$ (2,099,377.65)	
Equalization Aid	21-495-034-5120-078	21,895,341.00	N/A	7-1-20	6-30-21		
Categorical Special Education Aid	20-495-034-5120-089	1,996,732.00	N/A	7-1-19	6-30-20	(194,654.67)	
Categorical Special Education Aid	21-495-034-5120-089	1,996,732.00	N/A	7-1-20	6-30-21		
Categorical Security Aid	20-495-034-5120-084	739,882.00	N/A	7-1-19	6-30-20	(72,128.60)	
Categorical Security Aid	21-495-034-5120-084	739,882.00	N/A	7-1-20	6-30-21		
Total State Aid - Public						(2,366,160.92)	-
State Aid - Transportation:							
Categorical Transportation Aid	20-495-034-5120-014	1,088,704.00	N/A	7-1-19	6-30-20	(106,134.08)	
Categorical Transportation Aid	21-495-034-5120-014	1,088,704.00	N/A	7-1-20	6-30-21		
Additional Non-Public Transportation Aid	20-495-034-5120-014	32,090.00	N/A	7-1-19	6-30-20	(32,090.00)	
Additional Non-Public Transportation Aid	21-495-034-5120-014	52,695.00	N/A	7-1-20	6-30-21		
Total State Aid - Transportation						(138,224.08)	-
Extraordinary Aid							
Extraordinary Aid	20-495-034-5120-044	692,112.00	N/A	7-1-19	6-30-20	(692,112.00)	
Extraordinary Aid	21-495-034-5120-044	958,187.00	N/A	7-1-20	6-30-21		
Total Extraordinary Aid						(692,112.00)	-
Homeless Tuition Aid							
Homeless Tuition Aid	20-495-034-5120-005	62,911.00	N/A	7-1-19	6-30-20	(62,911.00)	
Homeless Tuition Aid	21-495-034-5120-005	29,391.00	N/A	7-1-20	6-30-21		
Total Homeless Tuition Aid						(62,911.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	1,964,521.78	N/A	7-1-19	6-30-20	(98,075.67)	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	2,016,319.59	N/A	7-1-20	6-30-21		
Total Reimbursed TPAF Social Security Contributions						(98,075.67)	-
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions -							
Post-Retirement Medical (non-budgeted)	21-495-034-5094-001	2,323,759.00	N/A	7-1-20	6-30-21		
On-Behalf T.P.A.F. Pension Contributions - Normal							
Cost (non-budgeted)	21-495-034-5094-002	7,276,595.00	N/A	7-1-20	6-30-21		
On-Behalf T.P.A.F. Non-contributory Insurance							
On-Behalf T.P.A.F. Pension Contributions - Long-Term	21-495-034-5094-004	138,447.00	N/A	7-1-20	6-30-21		
Disability Insurance (non-budgeted)	21-495-034-5094-004	2,775.00	N/A	7-1-20	6-30-21		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(3,357,483.67)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services	20-100-034-5120-070	54,417.00	N/A	7-1-19	6-30-20		\$ 1,437.00
Nursing Services	21-100-034-5120-070	56,304.00	N/A	7-1-20	6-30-21		
Textbook Aid (Ch. 194)	20-100-034-5120-064	29,570.00	N/A	7-1-19	6-30-20		152.00
Textbook Aid (Ch. 194)	21-100-034-5120-064	33,722.00	N/A	7-1-20	6-30-21		
Technology	20-100-034-5120-373	20,196.00	N/A	7-1-19	6-30-20		1,492.00
Security	20-100-034-5120-509	97,800.00	N/A	7-1-19	6-30-20		6,196.00
Security	21-100-034-5120-509	113,750.00	N/A	7-1-20	6-30-21		
Auxiliary Services (Ch. 192)							
Compensatory Education	20-100-034-5120-067	79,497.00	N/A	7-1-19	6-30-20	(7,949.00)	2,656.00
Compensatory Education	21-100-034-5120-067	113,218.00	N/A	7-1-20	6-30-21		
Handicapped Services (Ch. 193)							
Corrective Speech	20-100-034-5120-066	30,076.00	N/A	7-1-19	6-30-20	(3,007.00)	
Corrective Speech	21-100-034-5120-066	23,696.00	N/A	7-1-20	6-30-21		
Supplementary Instruction	20-100-034-5120-066	43,712.00	N/A	7-1-19	6-30-20	(4,371.00)	18,014.00
Supplementary Instruction	21-100-034-5120-066	46,140.00	N/A	7-1-20	6-30-21		
Examination and Classification	20-100-034-5120-066	47,570.00	N/A	7-1-19	6-30-20	(4,757.00)	7,445.00
Examination and Classification	21-100-034-5120-066	54,083.00	N/A	7-1-20	6-30-21		
Total Nonpublic Aid:						(20,084.00)	37,392.00
Preschool Education Aid							
Preschool Education Aid	20-495-034-5120-086	2,222,920.00	N/A	7-1-19	6-30-20	(222,292.00)	
Preschool Education Aid	21-495-034-5120-086	3,367,635.00	N/A	7-1-20	6-30-21		
Preschool Expansion Education Aid	19-495-034-5120-086	623,988.00	N/A	7-1-18	6-30-19	659,945.03	
Total Preschool Education Aid						437,653.03	-
Total Special Revenue Fund						417,569.03	37,392.00
Capital Projects Fund:							
School Development Authority	1690-045-14-1001	139,227.00	\$ 153,773.00	7-1-15	Completion	(30,748.50)	
School Development Authority	1690-046-14-1002	157,759.00	174,241.00	7-1-15	Completion	(23,958.50)	
School Development Authority	1690-048-14-1005	157,759.00	174,241.00	7-1-15	Completion	77,193.00	
Total Capital Projects Fund						22,486.00	-
Debt Service Fund:							
New Jersey Department of Education:							
School Construction Debt Service Aid	21-495-034-5120-075	78,500.00	N/A	7-1-20	6-30-21		
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Aid	20-100-010-3350-023	17,851.22	N/A	7-1-19	6-30-20	(1,909.58)	
Total Enterprise Fund						(1,909.58)	-
Total State Financial Assistance						\$ (2,919,338.22)	\$ 37,392.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions -							
Post-Retirement Medical (non-budgeted)	21-495-034-5094-001	2,323,759.00	N/A	7-1-20	6-30-21		
On-Behalf T.P.A.F. Pension Contributions - Normal							
Cost (non-budgeted)	21-495-034-5094-002	7,276,595.00	N/A	7-1-20	6-30-21		
On-Behalf T.P.A.F. Non-contributory Insurance							
On-Behalf T.P.A.F. Pension Contributions - Long-Term	21-495-034-5094-004	138,447.00	N/A	7-1-20	6-30-21		
Disability Insurance (non-budgeted)	21-495-034-5094-004	2,775.00	N/A	7-1-20	6-30-21		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit							
(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance							
The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.							

Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2021			Memo	
					Accounts Receivable	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 2,099,377.65	\$ 21,895,341.00				\$ (2,123,739.61)			\$ (2,123,739.61)	\$ 21,895,341.00
19,771,601.39									
194,654.67									
1,803,058.88	1,996,732.00				(193,673.12)			(193,673.12)	1,996,732.00
72,128.60									
668,117.11	739,882.00				(71,764.89)			(71,764.89)	739,882.00
<u>24,608,938.30</u>	<u>24,631,955.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,389,177.62)</u>	<u>-</u>	<u>-</u>	<u>(2,389,177.62)</u>	<u>24,631,955.00</u>
106,134.08									
983,105.11	1,088,704.00				(105,598.89)			(105,598.89)	1,088,704.00
32,090.00									
	52,695.00				(52,695.00)				52,695.00
<u>1,121,329.19</u>	<u>1,141,399.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,293.89)</u>	<u>-</u>	<u>-</u>	<u>(105,598.89)</u>	<u>1,141,399.00</u>
692,112.00									
	958,187.00				(958,187.00)				958,187.00
<u>692,112.00</u>	<u>958,187.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(958,187.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958,187.00</u>
62,911.00									
	29,391.00				(29,391.00)				29,391.00
<u>62,911.00</u>	<u>29,391.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,391.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,391.00</u>
98,075.67									
1,915,882.09	2,016,319.59				(100,437.50)				2,016,319.59
<u>2,013,957.76</u>	<u>2,016,319.59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,437.50)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,016,319.59</u>
2,323,759.00	2,323,759.00								2,323,759.00
7,276,595.00	7,276,595.00								7,276,595.00
138,447.00	138,447.00								138,447.00
2,775.00	2,775.00								2,775.00
<u>9,741,576.00</u>	<u>9,741,576.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,741,576.00</u>
38,240,824.25	38,518,827.59				(3,635,487.01)			(2,494,776.51)	38,518,827.59
56,304.00	56,234.42		\$ 0.42	\$ 1,437.00			\$ 70.00		56,234.42
33,722.00	30,319.25		0.25	152.00			3,403.00		30,319.25
113,750.00	105,901.00			1,492.00					
7,949.00				6,196.00			7,849.00		105,901.00
113,218.00	80,364.09		0.09	2,656.00			32,854.00		80,364.09
3,007.00				-					
23,696.00	23,696.00			18,014.00					23,696.00
4,371.00									
46,140.00	45,407.54		(0.46)	7,445.00			732.00		45,407.54
4,757.00									
54,083.00	54,083.00								54,083.00
<u>460,997.00</u>	<u>396,005.30</u>	<u>-</u>	<u>0.30</u>	<u>37,392.00</u>	<u>-</u>	<u>-</u>	<u>44,908.00</u>	<u>-</u>	<u>396,005.30</u>
222,292.00									
3,030,871.50	3,367,635.00				(336,763.50)			(336,763.50)	3,367,635.00
						\$ 659,945.03			525,632.17
<u>3,253,163.50</u>	<u>3,367,635.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(336,763.50)</u>	<u>659,945.03</u>	<u>-</u>	<u>(336,763.50)</u>	<u>3,893,267.17</u>
3,714,160.50	3,763,640.30		0.30	37,392.00	(336,763.50)	659,945.03	44,908.00	(336,763.50)	4,289,272.47
46,117.21			(15,368.71)						184,521.50
87,684.62			(63,726.12)						198,199.50
94,184.40			(171,377.40)						97,048.00
<u>227,986.23</u>	<u>-</u>	<u>-</u>	<u>(250,472.23)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,769.00</u>
78,500.00	78,500.00								78,500.00
1,909.58									
<u>1,909.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 42,263,380.56</u>	<u>42,360,967.89</u>	<u>-</u>	<u>\$ (250,471.93)</u>	<u>\$ 37,392.00</u>	<u>\$ (3,972,250.51)</u>	<u>\$ 659,945.03</u>	<u>\$ 44,908.00</u>	<u>\$ (2,831,540.01)</u>	<u>\$ 43,366,369.06</u>
	\$ 2,323,759.00								
	7,276,595.00								
	138,447.00								
	<u>2,775.00</u>								
	<u>9,741,576.00</u>								
	<u>\$ 32,619,391.89</u>								

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Galloway School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$22,481.50) for the general fund, (\$266,847.02) for the special revenue fund and \$173,279.23 for the Capital Projects Fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 255,251.16	\$ 38,496,346.09	\$ 38,751,597.25
Special Revenue	4,337,933.65	3,649,295.47	7,987,229.12
Capital Projects		173,279.23	173,279.23
Debt Service		78,500.00	78,500.00
Food Service	2,157,663.33		2,157,663.33
	<u>6,750,848.14</u>	<u>42,397,420.79</u>	<u>49,148,268.93</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		136,953.00	136,953.00
Encumbrances	152,502.19	(126.67)	152,375.52
Capital Projects Fund SDA Grant		(173,279.23)	(173,279.23)
	<u>152,502.19</u>	<u>(36,452.90)</u>	<u>116,049.29</u>
Total Awards and Financial Assistance Expended	<u>\$ 6,903,350.33</u>	<u>\$ 42,360,967.89</u>	<u>\$ 49,264,318.22</u>

Note 5: 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 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent cancellation of School Development Authority grant receivables and minor rounding differences.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2021, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: ANNUAL SCHOOL PLAN FUNDS

Annual school plan funds are not separate federal programs as defined in the Uniform Guidance; amounts used in annual school plan are included in the total expenditures of the program contributing the funds in the schedule of expenditures of federal awards. The following funds by program are included in annual school plan in the School District:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$ <u>694,418.00</u>

Note 9: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2021

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		ESSER:
<u>84.425</u>	<u>S425D200027</u>	<u>(ESSER I) CARES</u>
<u>84.425</u>	<u>S425D210027</u>	<u>(ESSER II) CRRSA</u>
<u>84.425</u>	<u>S425D210027</u>	<u>Addressing Student Learning Loss</u>
<u>84.425</u>	<u>S425D210027</u>	<u>Mental Health</u>
		Coronavirus Relief Fund:
<u>21.019</u>	<u>SLT0228</u>	<u>Bridging the Digital Divide</u>
<u>21.019</u>	<u>SLT0228</u>	<u>Nonpublic Technology Initiative</u>
<u>21.019</u>	<u>SLT0228</u>	<u>School Reopening & Remote Learning</u>
<u>93.778</u>	<u>2005NJ5MAP</u>	<u>Special Education Medicaid Initiative</u>
<u>93.778</u>	<u>2005NJ5MAP</u>	<u>Medicaid Administrative Claiming Aid</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

21-495-034-5120-078
21-495-034-5120-089
21-495-034-5120-084
21-495-034-5120-044

State Aid Public:
Equalization Aid
Categorical Special Education Aid
Categorical Security Aid
Extraordinary Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 978,582.00

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None