

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Woodbury Heights, New Jersey
County of Gloucester

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

WOODBURY HEIGHTS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Gateway Regional High School District
Finance Department**

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INTRODUCTORY SECTION

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Gateway Regional High School District

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March 18, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Gateway Regional High School District for the fiscal year ended June 30, 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

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

The School District provides a full range of educational services appropriate to grade levels 7 through 12. The School District had an enrollment of 859 students in June 2021. This is a decrease of 36 students from the district's June 2020 enrollment. The following details the changes in the student enrollment as of the end of each school year over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	859	(4.02%)
2019-20	895	+1.02%
2018-19	886	(0.89%)
2017-18	894	(4.08%)
2016-17	932	(2.71%)
2015-16	958	+1.27%
2014-15	946	+5.94%
2013-14	893	+0.45%
2012-13	889	(0.22%)
2011-12	891	+5.69%

2. ECONOMIC CONDITION AND OUTLOOK: The service area is not experiencing any development or expansion. The districts enrollment experienced a considerable decrease from the previous year. The district has seen a rise in the number of students considered homeless as families are forced to relocate out of district due to economic necessity. The state and national economy are reflected in the employment base of the area and continues to affect each of the communities. The State imposed 2% CAP on the district tax levy was passed in January 2012 to provide relief to the taxpayers of New Jersey. The Gateway Board of Education, being cognizant of the struggles of its taxpayers, has adopted budgets at or below the CAP with the exception of the 2015-16, 2016-17 and 2017-18 school years. The Board felt compelled to exceed the 2% CAP during those years in order to maintain staff and programs, due to flat or no additional funding from the State. The district has benefited from increases in State aid since that time.

3. MAJOR INITIATIVES:

A. Current Year Accomplishments:

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

While the COVID19 crisis has complicated efforts to collect meaningful data, we remain committed to internal measurements using LinkIt! Benchmarks and teacher-developed assessments. Beyond traditional measurements, we also are expanding use of project- and problem- based learning and the use of rubric assessments across all curriculum areas.

Instruction for high school disabled and economically disadvantaged students in supplemental language arts and math classes follow the mainstream curriculum with modifications. Programs to support ELL, at-risk and disabled students include academic support classes and push-in support. Additionally, after school help and extended year programs were provided through Title and IDEA funds to support at-risk populations. Each of these objectives had multi-step action plans that were reflective of the School District's data assessment team's review of test scores and recommendations. The School District's implementation of the committee's recommendations reflects the commitment of the School District to assist all students achieve to their optimal level and collaborate with staff members to support achievement. Throughout the COVID19 crisis, we have been creative with our use of time and scheduling to provide the support to our most at-risk students, including virtual and in-person support.

The School District continues to collaborate with the New Jersey Center for Teaching and Learning to provide professional development to math and science teachers to assist them in implementing the NJSL standards and implementing technology and ELA NJSL. Inquiry, cooperative learning, and technology are embedded into everyday instruction. In addition, the School District is continuing with the Pre-Advanced Placement program with the College Board to provide resources and an instructional framework for 9th grade ELA, 10th grade ELA, Algebra I, Geometry, World History, and Art I.

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

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

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

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

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

B. Future and Continuing Projects:

The Board continues to focus its efforts on reducing costs by providing and being part of shared services with the four municipal school districts. During the audit year, Gateway continued to provide business office, child study team, and curriculum services to three of the elementary sending districts; shared Superintendent services to two of the elementary districts; and Facility Director services to one of the elementary districts expanding that to all four of the elementary districts in 2021-22. Gateway also shares other auxiliary services in purchasing, food service, and transportation with the constituent districts.

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 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 School District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements," Note 1.

7. DEBT ADMINISTRATION: The District entered into 25-year indebtedness with the passage of a \$8.9 million bond issue in March of 2004 that will be paid off in the 2028-29 school year. Building renovations and additions as well as site reconstruction were completed in 2004. The School District took advantage of state share funding in the amount of \$6.3 million dollars through the Educational Development Council. The School District was able to refinance the issue in May 2012, for additional savings to the taxpayers. As of June 30, 2021, the District's outstanding debt issues were \$3,480,000.

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

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

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holt McNally & Associates Inc. is the appointed School District auditor. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the related Uniform Guidance, and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

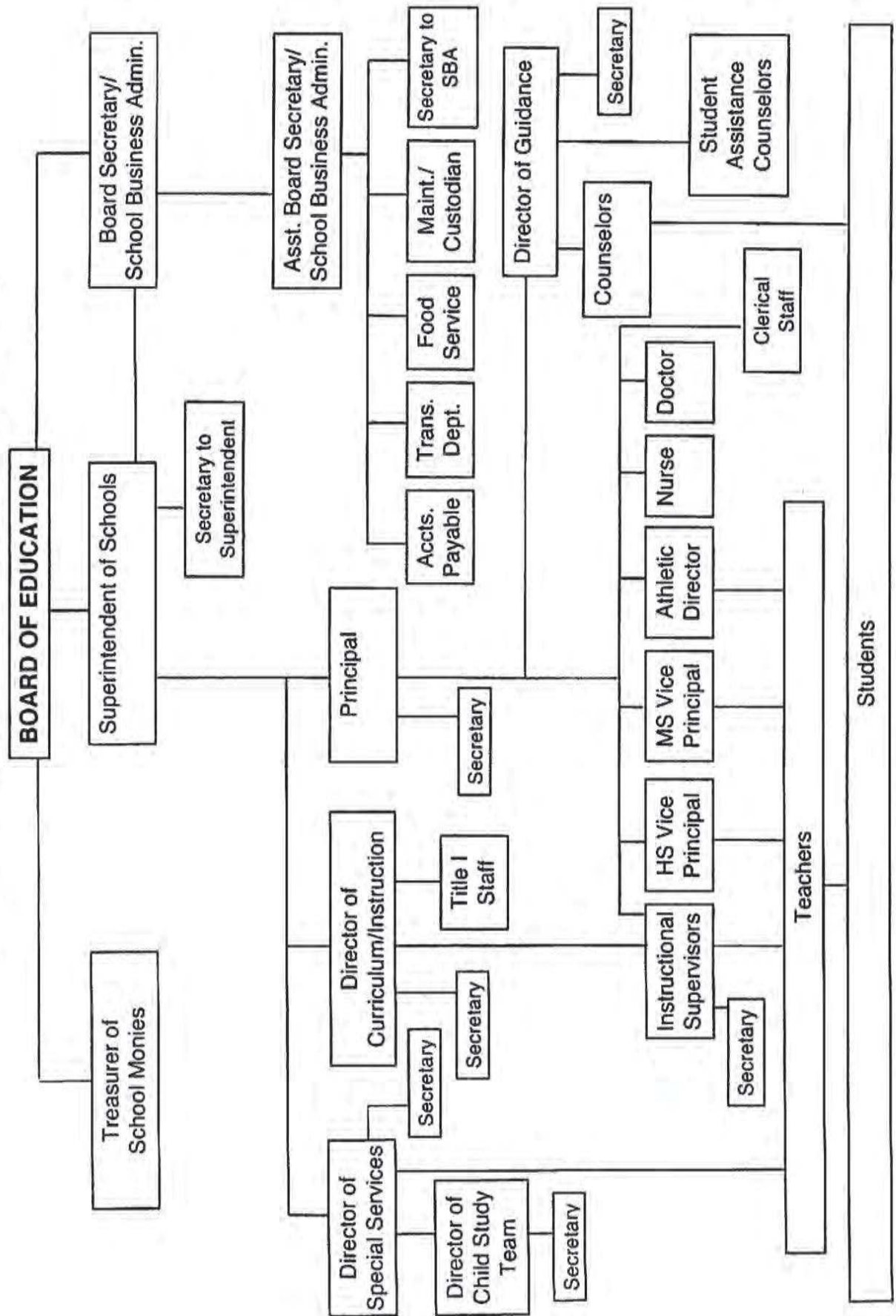
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Gateway Regional Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

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

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

ORGANIZATIONAL CHART GATEWAY REGIONAL HIGH SCHOOL DISTRICT



GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Woodbury Heights, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert Miller, President	2021
Harry Bush, Vice President	2023
Juliana Delany	2022
Michelle Edmund	2022
Jeanette Iverson-Rattle	2022
Connie Steedle	2023
Judi Pye	2023
Tamar Shelov	2021
Paula Trapuzzano	2021

OTHER OFFICIALS

Dr. Shannon M. Whalen, Superintendent

Donna J. Contrevo, Business Administrator/Board Secretary

Christopher Rodia, Assistant Business Administrator/Assistant Board Secretary

Charles J. Owens Treasurer

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Woodbury Heights, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

David T. McNally
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

CapeHart Scatchard
8000 Midlantic Drive, Suite 300S
PO Box 5016
Mount Laurel, New Jersey 08054
Joseph F. Betley Esquire

OFFICIAL DEPOSITORY

Ocean First Bank
TD Bank
State of New Jersey Cash Management

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gateway Regional High School District, County of Gloucester, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Emphasis of Matter

Change in 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, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

There is also a prior period restatement for GASB Statement No. 68, fund balance as of June 30, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 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, and the schedules related to accounting and reporting for pensions & other post-employment benefits, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gateway Regional High School District's basic financial statements. The introductory

section, combining and individual fund statements, long-term debt and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt 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 combining and individual fund statements, long-term debt and the 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022 on our consideration of the 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 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 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
March 18, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Management Discussion and Analysis (MD&A) of Gateway Regional High School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021 fiscal year are as follows:

The overall General Fund - fund balance (budgetary basis) increased \$1,477,481 from the prior fiscal year to \$6,914,910 as of June 30, 2021 (See Exhibit C-1).

At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$956,921. The State of New Jersey limits the amount of unassigned fund balance to 4% of the adjusted general fund expenditures plus certain allowable adjustments. The amount of unassigned fund balance at the end of the current year is at the maximum allowed.

The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$165,872. The amount of unassigned general fund balance in the School District's general fund on a budgetary basis is \$956,921. The between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$791,049.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Gateway Regional High School District as a financial whole, an entire operating entity. Required supplementary information and other supplementary information proceed to provide an increasingly detailed look at specific financial activities.

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing of service that can be provided by the governmental along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Using this Comprehensive Annual Financial Report (CAFR) (continued)

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Gateway Regional High School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Government-Wide Financial Statements

This document contains the large number of funds used by the School District to provide programs and activities. The view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The *Statement of Net Position* and the *Statement of Activities* help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting take into account all of the current year's revenues and expenditures, regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and others.

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

- ◆ Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities and pupil transportation.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The Food Service Fund is reported as business activities. The District has three internal service funds for; Child Study Team, Business Services and Superintendent services.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Funds

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

Proprietary Funds

The School District maintains four proprietary fund types, one enterprise fund and three internal service funds. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs of providing goods or services be financed through user charges. The Food Service Fund provides for the operation of food services in the School District's high school and provides for the elementary schools in the sending district. The proprietary fund has been included within the business-type activities in the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The School District as a Whole (continued)

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

Table 1 provides a summary of the School District's net position for fiscal year 2021 compared to fiscal year 2020.

TABLE I - NET POSITION

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
ASSETS				
Current Assets	\$ 7,323,647	\$ 5,089,957	\$ 161,800	\$ 311,202
Capital Assets, Net	14,025,414	14,211,051	3,863	431
Total Assets	21,349,061	19,301,008	165,663	311,633
Deferred Outflows of Resources	1,180,798		-	-
Total Assets and Deferred Outflows of Resources	\$ 22,529,859	\$ 19,301,008	\$ 165,663	\$ 311,633
LIABILITIES				
Current Liabilities	\$ 969,833	\$ 314,551	\$ 49,216	\$ 72,585
Noncurrent Liabilities	9,710,356	10,531,688	-	
Total Liabilities	10,680,189	10,846,239	49,216	72,585
Deferred Inflows of Resources	2,468,457	2,162,614	-	-
Total Liabilities and Deferred Inflows of Resources	13,148,646	13,008,853	49,216	72,585
NET POSITION				
Net Investment in Capital Assets	10,493,089	10,291,051	3,863	431
Restricted	6,383,611	5,072,089		
Unrestricted (Deficit)	(7,495,487)	(9,070,985)	112,584	238,617
Total Net Position	\$ 9,381,213	\$ 6,292,155	\$ 116,447	\$ 239,048

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The School District as a Whole (continued)

The School District's combined net position was \$9,497,660 on June 30, 2021. This was an increase of \$2,966,457 or 45% from the prior year. For the Governmental Activities the largest component of net position is Net Investment in Capital Assets. For Business-Type activities, the largest component of net position is Unrestricted Net Position.

Table 2 provides a summary of the School District's changes in net position for fiscal year 2021 compared to fiscal year 2020.

**TABLE 2
CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Revenues:				
Program Revenues:				
Charges for Services	\$ 1,183,078	\$ -	\$ 7,985	\$ 1,225,085
Operating Grants & Contributions	7,390,555	601,645	554,884	418,016
General Revenues				
Property Taxes	11,906,274	11,681,107		
Grants & Entitlements	11,766,089	11,783,152		
Miscellaneous	935,780	1,080,084	103	423
Transfers	177,444	-	(177,444)	
Total Revenues	33,359,220	25,145,988	385,528	1,643,524
Function/Program Expenditures:				
Instruction	7,897,087	8,464,264		
Support Services	22,429,014	15,552,488		
Capital Outlay	2,391	17,987		
Depreciation	844,256	822,473		
Transfer to Charter School	21,912	18,556		
Interest and Other Charges	284,622	162,888		
Food Service Fund			508,129	643,377
Other Enterprise				1,080,862
Total Expenses	31,479,282	25,038,656	508,129	1,724,239
Increase in Net Position before Transfers	1,879,938	107,332	(122,601)	(80,715)
Changes in Net Position	1,879,938	107,332	(122,601)	(80,715)
Net Position- July 1, as previously stated	6,292,155	6,184,823	239,048	319,763
Prior Period Adjustment	1,209,120			
Net Position- June 30	\$ 9,381,213	\$ 6,292,155	\$ 116,447	\$ 239,048

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$3,089,058 or 49%. Some of the more significant reasons for the increase include decreased instruction costs by \$1,000,000, decreased transportation costs of \$387,00, increased state aid of \$300,000 and a prior period adjustment of \$1,209,120 to record the accounting changes from the implementation of GASB 84 and adjustment to GASB 68 amounts (see Note 20).

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$9,381,213, with an unrestricted deficit balance of \$(7,495,487). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$	(7,495,487)
Add back: PERS Pension Liability		5,515,027
Less: Deferred Outflows related to pensions		(1,180,798)
Add back: Deferred Inflows related to pensions		2,468,457
Unrestricted Net Position (Without GASB 68)	\$	(692,801)

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$122,601 or 51%. \$177,444 of the decrease was due to the adjustment from Business-Type Activities to Internal Service Fund.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$116,447.

General Fund Budgeting Highlights

Final budgeted revenues were \$20,744,284, which includes a reduction in state aid of \$306,715. Excluding On Behalf revenues, the School District's actual revenues exceeded estimated revenues by \$46,913.

Final budgeted appropriations were \$23,267,144 which was a decrease of \$160,674 from the original budget. The decrease is due to prior year reserve for encumbrances, which increase budget appropriations in the subsequent fiscal year's budget offset by state aid reductions. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$3,895,243.

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$6,914,910 at June 30, 2021, an increase of \$1,418,346 from the prior year.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Funds

General Fund

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance on the GAAP basis of accounting of \$6,123,861, an increase of \$1,461,975 from the prior year.

As of June 30, 2021, the District has an unassigned fund balance of \$165,872. The School District designated \$2,097,206 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Current year excess surplus was \$2,737,730. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$648,416 for future capital improvements and maintenance reserve of \$367,008. \$85,087 is restricted for Unemployment Compensation claims; \$2,301 is assigned FFCRA/SEMI designated for subsequent years' expenditures and \$20,241 is recorded in encumbrances and assigned to other purposes.

Special Revenue Fund

The Special Revenue Fund saw an increase in expenditures and resulting revenues in the current year of \$277,267. This increase is primarily due to the funding of COVID federal awards.

Capital Projects Fund

Capital projects fund – The fund balance for the capital projects fund had no change and remained at \$101,930.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$54,843 to \$116,447 at June 30, 2021, compared to an increase of \$11,096 in fund balance in the prior fiscal year.

Internal service funds – The School District's three internal service fund had an increase in fund balance of \$230,022.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$14,029,277 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. Overall, the capital assets decreased by 182,205 from fiscal year 2020 to fiscal year 2021. The primary reason for the decrease is due to the renovations offset by depreciation. Table 6 shows combining 2021 balances compared to 2020.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Table 4
Summary of Capital Assets**

<u>Capital Assets (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 159,975	\$ 159,975	\$ -	0.0%
Land Improvements	5,999,089	5,792,303	206,786	3.6%
Building and Improvements	20,431,919	20,369,165	62,754	0.3%
Equipment	3,957,658	3,857,142	100,516	2.6%
Depreciation Expense	(16,519,364)	(15,967,103)	(552,261)	3.5%
	<u>\$ 14,029,277</u>	<u>\$ 14,211,482</u>	<u>\$ (182,205)</u>	-1.3%

Combined depreciation expense for the year was \$844,944. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

For the Future

This administration and Board of Education fully understands the dynamics of strategic thinking and have established a collaborative decision-making process that incorporates a deliberate approach to strategic planning initiatives. Resources are evaluated, needs assessed, and progress measured. Key decisions are examined in scenario-based discussions and final goals are established after consideration from all stakeholders.

The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the School District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

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

Requests for Information

This financial report is designed to provide a general overview of the Gateway Regional High School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Donna J. Contrevo, located at 775 Tanyard Road, Woodbury Heights, New Jersey or email at: dcontrevo@gatewayhs.com.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 5,104,832	\$ 103,775	\$ 5,208,607
Receivables, Net (Note 4)	1,118,304	53,364	1,171,668
Inventory		4,661	4,661
Restricted Assets:			
Restricted Cash & Cash Equivalents	1,100,511	-	1,100,511
Capital Assets:			
Non-Depreciable (Note 5)	159,975	-	159,975
Depreciable, Net (Note 5)	13,865,439	3,863	13,869,302
Total Assets	21,349,061	165,663	21,514,724
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	1,180,798	-	1,180,798
Total Deferred Outflow of Resources	1,180,798	-	1,180,798
Total Assets and Deferred Outflow of Resources	22,529,859	165,663	22,695,522
LIABILITIES			
Accounts Payable	345,120	34,326	379,446
Payroll Taxes Payable	150,508		150,508
Accrued Interest	54,360	-	54,360
Due to Other Governments	419,774	-	419,774
Unearned Revenue	71	14,890	14,961
Noncurrent Liabilities (Note 6):			
Due Within One Year	528,855		528,855
Due Beyond One Year	9,181,501		9,181,501
Total Liabilities	10,680,189	49,216	10,729,405
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	2,468,457	-	2,468,457
Total Deferred Inflow of Resources	2,468,457	-	2,468,457
Total Liabilities and Deferred Inflow of Resources	13,148,646	49,216	13,197,862
NET POSITION			
Net Investment in Capital Assets	10,493,089	3,863	10,496,952
Restricted For:			
Capital Projects	750,346	-	750,346
Maintenance Reserve	367,008		367,008
Excess Surplus	4,834,936	-	4,834,936
Unemployment Compensation	85,087		85,087
Student Activities	330,921	-	330,921
Scholarships	15,313		15,313
Unrestricted (Deficit)	(7,495,487)	112,584	(7,382,903)
Total Net Position	\$ 9,381,213	\$ 116,447	\$ 9,497,660

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		
Governmental Activities:								
Instruction:								
Regular	\$ 4,878,538	\$ -	\$ -	(4,878,538)	\$ -	\$ -	(4,878,538)	
Special Education	2,160,660		328,763	(1,831,897)			(1,831,897)	
Other Special Instruction	227,231			(227,231)			(227,231)	
Other Instruction	630,658			(630,658)			(630,658)	
Support Services & Undistributed Costs:								
Student & Instruction Related Services	5,150,553	870,467	458,864	(3,821,222)			(3,821,222)	
General Administration	340,698			(340,698)			(340,698)	
School Administrative Services	532,137	67,000		(465,137)			(465,137)	
Central Services	583,548	245,611		(337,937)			(337,937)	
Plant Operations & Maintenance	1,713,229			(1,713,229)			(1,713,229)	
Pupil Transportation	871,827			(871,827)			(871,827)	
Unallocated Benefits	13,237,022		6,594,693	(6,642,329)			(6,642,329)	
Interest and Other Charges	284,622	-	-	(284,622)			(284,622)	
Capital Outlay	2,391	-	8,235	5,844			5,844	
Transfer to Charter School	21,912	-	-	(21,912)			(21,912)	
Unallocated Depreciation	844,256			(844,256)			(844,256)	
Total Governmental Activities	31,479,282	1,183,078	7,390,555	(22,905,649)	-	-	(22,905,649)	
Business-Type Activities:								
Food Service	508,129	7,985	554,884	-	54,740		54,740	
Total Business-Type Activities	508,129	7,985	554,884	-	54,740		54,740	
Total Primary Government	\$ 31,987,411	\$ 1,191,063	\$ 7,945,439	(22,905,649)	54,740		(22,850,909)	

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	11,320,188	-	11,320,188
Property Taxes Levied for Debt Service	586,086	-	586,086
Federal & State Aid Not Restricted	11,766,089	-	11,766,089
Tuition	191,705		191,705
Transportation Fees	611,529		611,529
Interest on Investments	14,364	103	14,467
Miscellaneous Income	96,853	-	96,853
Transfers	177,444	(177,444)	-
Prior Year Receivables/Payables Canceled	21,329		21,329
Total General Revenues & Transfers	24,785,587	(177,341)	24,608,246
Change In Net Position	1,879,938	(122,601)	1,757,337
Net Position - July 1, as previously stated	6,292,155	239,048	6,531,203
Prior Period Adjustment	1,209,120	-	1,209,120
Net Position - July 1 as Restated	7,501,275	239,048	7,740,323
Net Position - Ending	\$ 9,381,213	\$ 116,447	\$ 9,497,660

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B. Fund Financial Statements

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Governmental Funds

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Assets:					
Cash & Cash Equivalents	\$ 5,012,855	\$ 225,215	\$ -		\$ 5,238,070
Intergovernmental Accounts Receivable:					
Federal	1,009	173,957			174,966
State	213,239		423,036		636,275
Other	257,787	178			257,965
Restricted Cash & Cash Equivalents	1,100,511	-	-	-	1,100,511
Total Assets	\$ 6,585,401	\$ 399,350	\$ 423,036	\$ -	\$ 7,407,787
Liabilities & Fund Balances:					
Liabilities:					
Cash Deficit			321,106		321,106
Accounts Payable	311,032	27,144			338,176
Intergovernmental - Accounts Payable:					
Federal		1,362			1,362
State		24,539			24,539
Payroll Taxes Payable	150,508				150,508
Unearned Revenue		71			71
Total Liabilities	461,540	53,116	321,106	-	835,762
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - Designated for					
Subsequent Year's Expenditures	2,097,206				2,097,206
Excess Surplus - Current Year	2,737,730				2,737,730
Capital Reserve Account	648,416				648,416
Maintenance Reserve Account	367,008				367,008
Unemployment Compensation	85,087				85,087
Student Activities		330,921			330,921
Scholarships		15,313			15,313
Capital Projects			101,930		101,930
Assigned to:					
Other Purposes	20,241				20,241
FFCRA/SEMI - Designated by the BOE for					
Subsequent Year's Expenditures	2,301				2,301
Unassigned:					
General Fund	165,872				165,872
Total Fund Balances	6,123,861	346,234	101,930	-	6,572,025
Total Liabilities & Fund Balances	\$ 6,585,401	\$ 399,350	\$ 423,036	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,410,250 and the accumulated depreciation is \$16,384,836. (See Note 5)	14,025,414
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows related to pensions	1,180,798
Deferred Inflows related to pensions	(2,468,457)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(393,873)
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(54,360)
Internal service funds are used by the School District to charge related services to other school district's. The assets and liabilities of the internal service fund are included with governmental activities.	230,022
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6)	(9,710,356)
Net Position of Governmental Activities	\$ 9,381,213

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS	DEBT SERVICE FUND	PERMEMENT FUND	TOTALS
Revenues:						
Local Sources:						
Local Tax Levy	\$ 11,320,188	\$ -	\$ -	\$ 586,086		\$ 11,906,274
Tuition - From Other LEAS	143,156					143,156
Tuition - Other	48,549					48,549
Transportation Fee from Other LEAs	611,529					611,529
Interest on Investments	14,364					14,364
Miscellaneous	96,853	265,617				362,470
Total Revenues - Local Sources	12,234,639	265,617	-	586,086		13,086,342
State Sources	12,408,606	59,474	-	-		12,468,080
Federal Sources	28,783	471,112	-	-		499,895
Total Revenues	24,672,028	796,203	-	586,086		26,054,317
Expenditures:						
Current Expense:						
Regular Instruction	4,878,538					4,878,538
Special Education Instruction	1,831,897	328,763				2,160,660
Other Instruction	227,231					227,231
School Sponsored Activities	630,658					630,658
Support Services & Undistributed Costs:						
Student & Instruction Related Services	3,794,056	541,914				4,335,970
General Administration	340,698					340,698
School Administrative Services	467,076					467,076
Central Services	333,033					333,033
Plant Operations & Maintenance	1,713,229					1,713,229
Student Transportation Services	923,181					923,181
Unallocated Benefits	7,392,058					7,392,058
Capital Outlay	652,775	8,235	-			661,010
Transfer to Charter School	21,912					21,912
Debt Service						
Principal	-			440,000		440,000
Interest and Other Charges	84,175			146,087		230,262
Total Expenditures	23,290,517	878,912	-	586,087		24,755,516
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures	1,381,511	(82,709)	-	(1)		1,298,801
Other Financing Sources/(Uses):						
Prior Year Receivables/Payables Canceled	21,329					21,329
Transfer		11,589			(11,589)	-
Total Other Financing Sources/(Uses)	21,329	11,589	-	-	(11,589)	21,329
Net changes in Fund Balance	1,402,840	(71,120)	-	(1)		1,320,130
Fund Balances July 1, as previously stated	4,661,886		101,930	1	11,589	4,775,406
Prior Period Adjustment	59,135	417,354				476,489
Fund Balances July 1 as restated	4,721,021	417,354	101,930	1	11,589	5,251,895
Fund Balances June 30	\$ 6,123,861	\$ 346,234	\$ 101,930	\$ -		\$ 6,572,025

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	1,320,130
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:</p>		
Depreciation Expense	\$ (844,256)	
Capital Outlays	<u>658,619</u>	(185,637)
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.		440,000
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.		154,835
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.		51,354
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.		
Prior year	-	
Current Year	<u>(54,360)</u>	(54,360)
The Internal Service Fund is used by the School District to charge the cost of Related Services to other Districts. The activity of this fund is included in the Statement of Activities.		52,578
The Internal Service Fund is used by the School District to charge the cost of Related Services to other Districts. The transfer of this fund from Enterprise to Internal Service is included in the Statement of Activities.		177,444
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 (+).		<u>(76,406)</u>
Change in Net Position of Governmental Activities	\$	<u>1,879,938</u>

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

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Proprietary Funds

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	Business-Type Activities	Governmental Activities	Total
	Food Service Fund	Internal Service Fund	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 103,775	\$ 187,868	\$ 291,643
Accounts Receivable:			
Federal	42,503		42,503
State	3,218		3,218
Other	7,643	49,098	56,741
Inventories	4,661		4,661
Total Current Assets	161,800	236,966	398,766
Capital Assets:			
Equipment	138,390		138,390
Less: Accumulated Depreciation	(134,527)		(134,527)
Total Capital Assets	3,863		3,863
Total Assets	165,663	236,966	402,629
LIABILITIES			
Unearned Revenue	14,890		14,890
Accounts Payable	34,326	6,944	41,270
Total Liabilities	49,216	6,944	56,160
NET POSITION			
Net Investment in Capital Assets	3,863		3,863
Unrestricted	112,584	230,022	342,606
Total Net Position	\$ 116,447	\$ 230,022	\$ 346,469

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities		Governmental Activities	Total
	Food Service Fund	Other Funds	Internal Service Fund	
Operating Revenues:				
Charges for Services:				
Daily Sales - Nonreimbursable Programs	\$ 113	\$ -	\$ -	\$ 113
Special Functions	7,872			7,872
Services to Other Districts			1,182,737	1,182,737
Total Operating Revenues	7,985	-	1,182,737	1,190,722
Operating Expenses:				
Salaries	125,139		961,619	1,086,758
Employee Benefits	64,893		147,794	212,687
Supplies & Materials	18,793		3,977	22,770
Other Purchased Services (300-500 series)	37,335		14,350	51,685
Management Fee	24,384			24,384
Cost of Sales - Reimbursable	217,717			217,717
Cost of Sales - Non Reimbursable	3,167			3,167
Miscellaneous Expenditures	16,013		2,419	18,432
Depreciation Expense	688			688
Total Operating Expenses	508,129	-	1,130,159	1,638,288
Operating Income/(Loss)	(500,144)	-	52,578	(447,566)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	16,591			16,591
Federal Sources:				
COVID-19 National School Lunch Program	291,267			291,267
COVID-19 Breakfast Program	186,929			186,929
COVID-19 Healthy Hunger-Free Kids Act	5,776			5,776
COVID-19 After School Snacks	25,508			25,508
Food Distribution Program	28,813			28,813
Interest Revenue	103			103
Total Nonoperating Revenues	554,987	-	-	554,987
Change in Net Position	54,843	-	52,578	107,421
Transfers to Internal Service Fund		(177,444)	177,444	0
Net Income	54,843	(177,444)	230,022	107,421
Total Net Position - July 1	61,604	177,444		239,048
Total Net Position - Ending	\$ 116,447	\$ -	\$ 230,022	\$ 346,469

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities		Governmental Activities	Totals
	Food Service Fund	Other Funds	Internal Service Fund	
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 7,985		\$ 1,133,639	\$ 1,141,624
Payments to Employees	(125,139)		(961,619)	(1,086,758)
Payments for Employee Benefits	(62,810)		(147,794)	(210,604)
Payments to Suppliers	(308,680)		(23,552)	(332,232)
Net Cash Provided/(Used) by Operating Activities	(488,644)		674	(487,970)
Cash Flows From Noncapital Financing Activities:				
State Sources	13,566			13,566
Federal Sources	486,885			486,885
Transfer to Internal Service Fund		(187,194)	187,194	0
Net Cash Provided/(Used) by Noncapital Financing Activities	500,451	(187,194)	187,194	500,451
Cash Flows From Investing Activities:				
Equipment Purchases	(4,120)			(4,120)
Interest Earnings	103			103
Net Cash Provided/(Used) by Investing Activities	(4,017)			(4,017)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,790	(187,194)	187,868	8,464
Balances - Beginning of Year	95,985	187,194	0	283,179
Balances - End of Year	<u>\$ 103,775</u>		<u>\$ 187,868</u>	<u>\$ 291,643</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (500,144)	\$ -	\$ 52,578	\$ (447,566)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	28,813			28,813
Depreciation & Net Amortization	688			688
(Increase)/Decrease in Accounts Receivable	(7,643)		(49,098)	(56,741)
Increase/(Decrease) in Prepaid	3,261			3,261
(Increase)/Decrease in Compensated Absences	-			0
(Increase)/Decrease in Unearned Revenue	14,890			14,890
(Increase)/Decrease in Accounts Payable	(28,509)		(2,806)	(31,315)
Total Adjustments	11,500		(51,904)	(40,404)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (488,644)</u>		<u>\$ 674</u>	<u>(487,970)</u>

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

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GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Gateway Regional High School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Gateway Regional High School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades seven through twelve at its school. The School District has an approximate enrollment as of June 30, 2021 of 859 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14 The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.

Government-Wide Financial Statements

The School District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the School District are

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the School District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending, or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

The School District reports the following major proprietary fund:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the School District’s cafeteria operations.

Internal Service Fund (Related Service) – The internal service funds of the School District are Child Study Team, Business Services and Chief School Administrator which are used in order to account for the services provided to other local school districts.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations, and the board of education members are elected at the November general election. 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:23-2-2(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:23-2-11.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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, and Exhibit C-2, 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 accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – 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 modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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 and Cash Equivalents

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

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

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

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (Continued)

insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving school district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead, expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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 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, government 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.

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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 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. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 2. Deposits and Investments (continued)

happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$6,781,984 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	6,150,277
Uninsured and Uncollateralized		631,707
		\$ 6,781,984

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by the inclusion of \$200,000 in October of 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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 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 either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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	\$	496,964
Increased by:		
Interest Earnings		184
Deposits approved by Board		450,000
		947,148
Decreased by:		
Budget Withdrawals		(298,732)
Ending Balance, June 30, 2021		\$ 648,416

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued)

or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Maintenance Reserve

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

Beginning Balance, July 1, 2020	266,331
Increased by:	
Interest Earnings	677
Deposits approved by Board	100,000
Ending Balance, June 30, 2021	\$ 367,008

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>				<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ 1,009	\$ 173,957	\$ -	\$ 174,966	\$ 42,503	\$ 42,503
State Awards	213,239		423,036	636,275	3,218	3,218
Other	306,885	178	-	307,063	7,643	7,643
Total	\$ 521,133	\$ 174,135	\$ 423,036	\$ 1,118,304	\$ 53,364	\$ 53,364

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets (Continued)

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Sites	\$ 159,975	\$ -	\$ -	\$ 159,975
Total Capital Assets not being depreciated	<u>159,975</u>	<u>-</u>	<u>-</u>	<u>159,975</u>
Capital Assets being depreciated:				
Site Improvements	5,792,303	206,786		5,999,089
Buildings and Improvements	20,369,164	62,754		20,431,918
Equipment	3,722,873	389,079	(292,684)	3,819,268
Total Capital Assets being depreciated	<u>29,884,340</u>	<u>658,619</u>	<u>(292,684)</u>	<u>30,250,275</u>
Less: Accumulated Depreciation:				
Site Improvements	(3,885,582)	(272,041)		(4,157,623)
Buildings and Improvements	(9,199,719)	(381,324)		(9,581,043)
Equipment	(2,747,963)	(190,891)	292,684	(2,646,170)
Total Accumulated Depreciation	<u>(15,833,264)</u>	<u>(844,256)</u>	<u>292,684</u>	<u>(16,384,836)</u>
Total Capital Assets being depreciated, net	<u>14,051,076</u>	<u>(185,637)</u>	<u>-</u>	<u>13,865,439</u>
Total Governmental Activities Capital Assets, net	<u>\$ 14,211,051</u>	<u>\$ (185,637)</u>	<u>\$ -</u>	<u>\$ 14,025,414</u>

Depreciation expense was charged as unallocated.

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Business-Type Activities:				
Equipment	\$ 134,270	\$ 4,120	\$ -	\$ 138,390
Total Capital Assets being depreciated	<u>134,270</u>	<u>4,120</u>	<u>-</u>	<u>138,390</u>
Less: Accumulated Depreciation:				
Equipment	(133,839)	(688)	-	(134,527)
Total Capital Assets being depreciated, net	<u>(133,839)</u>	<u>(688)</u>	<u>-</u>	<u>(134,527)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 431</u>	<u>\$ 3,432</u>	<u>\$ -</u>	<u>\$ 3,863</u>

Note 6. Long-Term Obligations

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Long-Term Obligations (Continued)

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,920,000		\$ 440,000	\$ 3,480,000	\$ 440,000
Capital Leases	103,679		51,354	52,325	52,325
Compensated Absences	586,598	76,406		663,004	36,530
Net Pension Liability	5,921,411		406,384	5,515,027	-
	<u>\$ 10,531,688</u>	<u>\$ 76,406</u>	<u>\$ 897,738</u>	<u>\$ 9,710,356</u>	<u>\$ 528,855</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases and net pension liability are liquidated by the general fund.

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 440,000	128,488	\$ 568,488
2023	440,000	110,888	550,888
2024	440,000	93,288	533,288
2025	440,000	75,688	515,688
2026	435,000	59,188	494,188
2027-2029	1,285,000	82,563	1,367,563
	<u>\$ 3,480,000</u>	<u>\$ 550,100</u>	<u>\$ 4,030,100</u>

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

Note 7. Operating Leases

At June 30, 2021, the School District had operating lease agreements in effect for copiers in the school and administration buildings. Total operating lease payments made during the year ended June 30, 2021 was \$39,706.

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 34,801
2023	4,998
	<u>4,998</u>
Total Minimum Lease Payments	<u>\$ 39,799</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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 ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 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 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$5,515,027 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020.

The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.0338192009%, which was an increase of 0.0009562202% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of 215,129 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 100,420	\$ 19,504
Changes of Assumptions	178,914	2,309,194
Net Difference between Projected and Actual Earnings on Pension Plan Investments	188,508	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	319,083	139,759
School District Contributions Subsequent to Measurement Date	393,873	-
	\$ 1,180,798	\$ 2,468,457

\$393,873 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended 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:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Year Ending <u>June 30,</u>	<u>Amount</u>
2021	\$ (638,546)
2022	(589,894)
2023	(261,906)
2024	(97,990)
2025	<u>(93,196)</u>
	<u>\$ (1,681,532)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	July 1, 2014 - June 30, 2018
Study upon which Actuarial Assumptions were Based	

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.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the 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-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 6,997,091	\$ 5,515,027	\$ 4,337,621

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.032862981%	0.032087100%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 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 before age 62 with 25 or more

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$53,473,098. The School District's proportionate share was \$-0-.

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, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0812058847%, which was a decrease of .0006310392% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$3,325,185 in on-behalf 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 plans June 30, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	<u>13.00%</u>	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
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>62,810,408</u>	<u>53,473,098</u>	<u>45,720,023</u>
	<u>\$ 62,810,408</u>	<u>\$ 53,473,098</u>	<u>\$ 45,720,023</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.081205885%	0.081836924%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits.
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$17,058 and the School District recognized pension expense of \$12,561.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey 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.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

OPEB Obligation and OPEB Expense - OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$63,410,053. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the School District was based on projection of the State's long-term contributions to the OPEB plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.09351%, which was an increase of 0.00130% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$2,598,208 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

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%.

Discount Rate

The discount rate for June 30, 2020 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.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB 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:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 76,444,092	\$ 63,410,053	\$ 53,218,690
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 51,186,733	\$ 63,410,053	\$ 77,965,310
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, post-retirement medical costs, long-term disability and social security were \$2,455,516, \$769,521, \$1,237 and \$670,063, respectively.

Note 11. 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 Comprehensive Annual Financial Report.

Joint Insurance Pool – The School District also participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 11. Risk Management (Continued)

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. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 31,827	\$ 5,999	\$ 85,087
2019-2020	9,727	16,412	59,135
2018-2019	21,213	5,491	65,700

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is not a defendant in any lawsuits. It is the opinion of the School Districts’ attorney that no contingent liability exists that would have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits 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 | Siracusa Benefits Program |
| Metropolitan Life Insurance | AXA Equitable |

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$663,004.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 16. Commitments

The School District has \$20,241 in contractual commitments at June 30, 2021.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$2,737,730.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 18. Fund Balances

General Fund – Of the \$6,123,861 General Fund balance at June 30, 2021, \$648,416 has been restricted for the Capital Reserve Account; \$367,008 has been restricted for the Maintenance Reserve Account; \$2,737,730 has been restricted for current year excess surplus; \$2,097,206 is restricted for prior year excess surplus; \$2,301 has been restricted for FFCRA/SEMI designated for subsequent year’s expenditures; \$85,087 has been restricted for Unemployment Compensation; \$20,241 has been assigned for other purposes and \$165,872 has been unassigned.

Special Revenue Fund – Of the \$346,234 Special Revenue Fund Balance at June 30, 2021, \$330,921 is restricted for student activities and \$15,313 is restricted for scholarships.

Capital Projects Fund Balance – Of the \$101,930 Capital Projects Fund Balance is restricted for Capital Projects.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$7,495,487 at June 30, 2021. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Prior Period Restatement

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for Student Activities and Scholarship Funds. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 were adjusted. The beginning balances as of July 1, 2020 were adjusted as follows:

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$ 6,292,155
Prior Period Adjustment:	
Restatement of Deferred Inflows/Outflows related to Pension (GASB 68)	732,631
Unemployment Compensation	59,135
Scholarship Fund	7,983
Student Activities Fund	409,371
Total Prior Period Adjustment	1,209,120
Net Position as restated, July 1, 2020	\$ 7,501,275

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 20. Prior Period Restatement

General Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	
Prior Period Adjustment:	
Unemployment Fund	59,135
Total Prior Period Adjustment	59,135
Net Position as restated, July 1, 2020	59,135

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ -
Prior Period Adjustment:	
Scholarship Fund	\$ 7,983
Student Activities Fund	409,371
Total Prior Period Adjustment	417,354
Net Position as restated, July 1, 2020	\$ 417,354

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 18, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 11,320,188	\$ -	\$ 11,320,188	\$ 11,320,188	\$ -
Tuition - From Other LEAs	10-1320	97,500		97,500	143,156	45,656
Tuition - Other	10-1321				48,549	48,549
Transportation Fee from Other LEAs	10-1420	920,000		920,000	611,529	(308,471)
Interest Earned on Investments	10-1510	50		50	14,364	14,314
Miscellaneous	10-1990	34,800		34,800	70,718	35,918
Miscellaneous Restricted	10-19XX			-	25,952	25,952
Interest Earned on Capital Reserve	10-1xxx	950		950	183	(767)
Total Local Sources		12,373,488	-	12,373,488	12,234,639	(138,849)
State Sources:						
Categorical Special Education Aid	10-3132	581,865		581,865	581,865	-
Equalization Aid	10-3176	6,669,024	(333,435)	6,335,589	6,335,589	-
Security Aid	10-3177	192,533		192,533	192,533	-
Categorical Transportation Aid	10-3121	502,794		502,794	502,794	-
School Choice Aid	10-3116	707,120	26,720	733,840	733,840	-
Extraordinary Aid	10-3131				166,383	166,383
Non Public Transportation	10-3XXX				14,771	14,771
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions					769,521	769,521
On-Behalf TPAF Pension Contributions					2,455,516	2,455,516
On-Behalf TPAF Long-Term Disability Contributions					1,237	1,237
Reimbursed TPAF Social Security Contributions					670,063	670,063
Total State Sources		8,653,336	(306,715)	8,346,621	12,424,112	4,077,491
Federal Sources:						
Medical Assistance	10-4200	24,175		24,175	26,482	2,307
COVID-19 Medical Assistance	10-4210				2,301	2,301
Total Federal Sources		24,175	-	24,175	28,783	4,608
Total Revenues		21,050,999	(306,715)	20,744,284	24,687,534	3,943,250
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	1,618,723	(67,820)	1,550,903	1,514,563	36,340
Grades 9 - 12	11-140-100-101	3,236,141		3,236,141	3,058,007	178,134
Home Instruction:						
Salaries of Teachers	11-150-100-101	22,000		22,000		22,000
Purchased Professional - Educational Services	11-150-100-320	17,500		17,500	877	16,623
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services						
Educational Services	11-190-100-320	7,750		7,750	2,200	5,550
Purchased Technical Services	11-190-100-340	107,620	1,256	108,876	67,905	40,971
Other Purchased Services	11-190-100-500	69,475	775	70,250	21,273	48,977
General Supplies	11-190-100-610	403,401	(16,732)	386,669	195,334	191,335
Textbooks	11-190-100-640	25,253		25,253	15,840	9,413
Other Objects	11-190-100-800	13,701		13,701	2,539	11,162
Total Regular Programs		5,521,564	(82,521)	5,439,043	4,878,538	560,505

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	178,589		178,589	174,241	4,348
Other Salaries for Instruction	11-204-100-106	94,636		94,636	86,046	8,590
Purchased Technical Services	11-204-100-340	8,500		8,500		8,500
General Supplies	11-204-100-610	16,030		16,030	3,140	12,890
Other Objects	11-204-100-800	1,000		1,000		1,000
Total Learning and/or Language Disabilities		298,755	-	298,755	263,427	35,328
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	174,714		174,714	171,214	3,500
Other Salaries for Instruction	11-209-100-106	61,774		61,774	57,270	4,504
General Supplies	11-209-100-610	10,094		10,094	2,239	7,855
Other Objects	11-209-100-800	1,750		1,750		1,750
Total Multiple Disabilities:		248,332	-	248,332	230,723	17,609
Resource Room:						
Salaries of Teachers	11-213-100-101	1,114,017		1,114,017	1,055,577	58,440
Other Salaries for Instruction	11-213-100-106	297,708		297,708	273,656	24,052
Purchased Technical Services	11-213-100-340	8,130		8,130		8,130
General Supplies	11-213-100-610	17,622	(250)	17,372	2,613	14,759
Other Objects	11-213-100-800	1,000	250	1,250	1,250	-
Total Resource Room		1,438,477	-	1,438,477	1,333,096	105,381
Home Instruction:						
Salaries of Teachers	11-219-100-101	17,750		17,750	1,110	16,640
Purchased Professional Educational Services	11-219-100-320	15,500		15,500	3,541	11,959
Total Home Instruction		33,250	-	33,250	4,651	28,599
Total Special Education		2,018,814	-	2,018,814	1,831,897	186,917
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	246,709		246,709	227,231	19,478
General Supplies	11-230-100-610	500		500		500
Total Basic Skills/Remedial		247,209	-	247,209	227,231	19,978
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	2,500		2,500	-	2,500
General Supplies	11-240-100-610	500		500		500
Total Bilingual Education - Instruction:		3,000	-	3,000	-	3,000
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	160,722		160,722	110,254	50,468
Purchased Professional Educational Services	11-401-100-320	4,350		4,350	2,759	1,591
Other Purchased Services	11-401-100-500	12,875	1,200	14,075	2,338	11,737
Supplies and Materials	11-401-100-600	21,468		21,468	9,453	12,015
Miscellaneous Expenditures	11-401-100-890	7,350		7,350	1,193	6,157
Total School Sponsored Cocurricular Activities		206,765	1,200	207,965	125,997	81,968

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	432,033		432,033	410,843	21,190
Purchased Professional Educational Services	11-402-100-320	1,000		1,000	-	1,000
Purchased Professional Services	11-402-100-330	5,000		5,000		5,000
Purchased Technical Services	11-000-211-340	115,242	(14,100)	101,142	23,771	77,371
Purchased Services	11-402-100-500	28,175		28,175	3,269	24,906
Supplies and Materials	11-402-100-600	89,409	14,618	104,027	61,784	42,243
Miscellaneous Expenditures	11-402-100-890	37,160		37,160	4,994	32,166
Total School Sponsored Athletics - Instruction		708,019	518	708,537	504,661	203,876
Total - Instruction		8,705,371	(80,803)	8,624,568	7,568,324	1,056,244
Undistributed Expenditures:						
Tuition						
Tuition to Other LEA'S Within State - Regular	11-000-100-561	18,000		18,000		18,000
Tuition to Other LEA'S Within State - Special	11-000-100-562	127,498		127,498		127,498
Tuition to County Vocational Schools - Regular	11-000-100-563	175,140		175,140	149,272	25,868
Tuition to CSSD & Regular Day Schools	11-000-100-565	423,220		423,220	311,714	111,506
Tuition to Private School for Handicapped - State	11-000-100-566	974,502	7,117	981,619	483,713	497,906
Total Tuition		1,718,360	7,117	1,725,477	944,699	780,778
Attendance & Social Work Services:						
Salaries	11-000-211-100	27,556	7	27,563	27,563	-
Purchased Technical Services	11-000-211-340	7,500		7,500	4,884	2,616
Other Purchased Services	11-000-211-500	150	(7)	143	43	100
Supplies and Materials	11-000-211-610	500		500		500
Total Attendance & Social Work Services		35,706	-	35,706	32,490	3,216
Health Services:						
Salaries	11-000-213-100	214,512		214,512	212,252	2,260
Purchased Professional Educational Services	11-000-213-320	26,500		26,500	21,550	4,950
Other Purchased Services	11-000-213-500	3,000		3,000	1,546	1,454
Supplies and Materials	11-000-213-600	4,000		4,000	2,455	1,545
Other Objects	11-000-213-890	175		175		175
Total Health Services		248,187	-	248,187	237,803	10,384
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	46,750		46,750	36,732	10,018
Purchased Technical Services	11-000-216-320	34,400		34,400	6,167	28,233
Supplies and Materials	11-000-216-600	1,000		1,000		1,000
Other Objects	11-000-216-890	2,000		2,000		2,000
Total Other Support Services - Students - Related Services		84,150	-	84,150	42,899	41,251
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	615,924	(33,900)	582,024	581,982	42
Salaries of Secretarial & Clerical Assistants	11-000-218-105	42,495		42,495	39,032	3,463
Other Salaries	11-000-218-110	163,414		163,414	163,414	-
Purchased Professional - Educational Services	11-000-218-320	22,920	(18,668)	4,252	2,446	1,806
Other Purchased Professional & Technical Services	11-000-218-390	21,018	4,668	25,686	25,685	1
Other Purchased Services	11-000-218-500	17,470	(7,782)	9,688	6,666	3,022
Supplies and Materials	11-000-218-600	19,083	12,026	31,109	20,653	10,456
Other Objects	11-000-218-890	3,234		3,234	1,358	1,876
Total Other Support Services - Guidance		905,558	(43,656)	861,902	841,236	20,666

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021				POSITIVE (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Support Services - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	133,044		133,044	133,044	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	40,921		40,921	40,921	-
Other Salaries	11-000-219-110	40,250		40,250	24,301	15,949
Purchased Educational Services	11-000-219-320	460,102		460,102	416,474	43,628
Other Purchased Professional & Technical Services	11-000-219-390	8,000		8,000	3,060	4,940
Other Purchased Services	11-000-219-500	7,000		7,000		7,000
Supplies and Materials	11-000-219-600	5,000		5,000	78	4,922
Other Objects	11-000-219-890	4,000		4,000		4,000
Total Other Support Services - Child Study Team		698,317	-	698,317	617,878	80,439
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	472,217		472,217	457,576	14,641
Salaries of Secretarial & Clerical Assistants	11-000-221-105	66,251	255	66,506	66,505	1
Other Salaries	11-000-221-110	134,680	(255)	134,425	111,750	22,675
Purchased Educational Services	11-000-221-320	16,800		16,800		16,800
Other Purchased Professional & Technical Services	11-000-221-390	35,624		35,624	31,365	4,259
Other Purchased Services	11-000-221-500	21,287	292	21,579	6,105	15,474
Supplies and Materials	11-000-221-600	12,175		12,175	7,884	4,291
Other Objects	11-000-221-890	18,435		18,435	6,641	11,794
Total Improvement of Instruction Services/Other Support Services Instructional Staff		777,469	292	777,761	687,826	89,935
Educational Media Services/School Library:						
Salaries	11-000-222-100	63,882		63,882	57,882	6,000
Other Salaries for Instruction	11-000-222-106	65,467		65,467	59,596	5,871
Salaries of Technology Coordinator	11-000-222-177	255,002		255,002	236,240	18,762
Purchased Technical Services	11-000-222-340	12,363		12,363	9,083	3,280
Other Purchased Services	11-000-222-500	10,850		10,850	3,859	6,991
Supplies and Materials	11-000-222-600	37,245		37,245	22,541	14,704
Other Objects	11-000-222-890	97		97		97
Total Educational Media Services/School Library		444,906	-	444,906	389,201	55,705
Instructional Staff Training Services:						
Other Purchased Services	11-000-223-500	8,500		8,500	24	8,476
Total Instructional Staff Training Services		8,500	-	8,500	24	8,476
Support Services General Administration:						
Salaries	11-000-230-100	196,401	270	196,671	196,667	4
Legal Services	11-000-230-331	10,500	(5,285)	5,215	2,664	2,551
Audit fees	11-000-230-332	28,500		28,500	28,150	350
Architectural/Engineering Services	11-000-230-334	2,000	13,500	15,500	13,500	2,000
Other Purchased Professional Services	11-000-230-339	500		500		500
Communications/Telephone	11-000-230-530	30,500	5,285	35,785	35,782	3
BOE Other Purchased Services	11-000-230-585	175		175		175
Other Purchased Services	11-000-230-590	71,075	(504)	70,571	51,904	18,667
Supplies and Materials	11-000-230-610	4,120	194	4,314	1,009	3,305
Miscellaneous Expenditures	11-000-230-890	1,975	234	2,209	2,208	1
BOE Membership Dues	11-000-230-895	9,675		9,675	8,814	861
Total Support Services General Administration		355,421	13,694	369,115	340,698	28,417
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	359,509		359,509	358,636	873
Salaries of Secretarial & Clerical Assistants	11-000-240-105	81,581		81,581	78,581	3,000
Purchased Professional Educational Services	11-000-240-320	2,500	1,200	3,700	3,700	-
Other Purchased Services	11-000-240-500	12,000	(1,200)	10,800	1,168	9,632
General Supplies	11-000-240-600	18,600	3,368	21,968	20,740	1,228
Other Objects	11-000-240-800	11,750		11,750	4,251	7,499
Total Support Services School Administration		485,940	3,368	489,308	467,076	22,232

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Central Services:						
Salaries	11-000-251-100	333,367		333,367	300,060	33,307
Purchased Professional Services	11-000-251-330	6,000	600	6,600	6,572	28
Purchased Technical Services	11-000-251-340	30,000	(820)	29,180	15,559	13,621
Other Purchased Services	11-000-251-592	7,500	220	7,720	7,710	10
General Supplies	11-000-251-600	7,000		7,000	1,792	5,208
Miscellaneous Expenditures	11-000-251-890	3,000		3,000	1,340	1,660
Total Central Services		386,867	-	386,867	333,033	53,834
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	103,997		103,997	97,865	6,132
Cleaning, Repair & Maintenance	11-000-261-420	157,700	25,900	183,600	164,597	19,003
General Supplies	11-000-261-610	68,100	57,869	125,969	125,735	234
Total Required Maintenance for School Facilities		329,797	83,769	413,566	388,197	25,369
Custodial Services:						
Salaries	11-000-262-100	671,994	(31,336)	640,658	591,299	49,359
Salaries of Noninstructional Aides	11-000-262-107	41,500		41,500	16,581	24,919
Purchased Professional Educational Services	11-000-262-320	12,012		12,012	11,306	706
Cleaning, Repair & Maintenance Services	11-000-262-420	83,430		83,430	24,099	59,331
Other Purchased Property Services	11-000-262-490	83,648		83,648	54,659	28,989
Insurance	11-000-262-520	185,000		185,000	171,598	13,402
Miscellaneous Purchased Services	11-000-262-590	2,575		2,575	1,100	1,475
General Supplies	11-000-262-610	107,178	12,703	119,881	106,847	13,034
Energy (Natural Gas)	11-000-262-621	98,500	6,000	104,500	104,086	414
Energy (Heat & Electricity)	11-000-262-622	246,175	(49,500)	196,675	184,416	12,259
Other Objects	11-000-262-800	8,200		8,200	4,202	3,998
Total Custodial Services		1,540,212	(62,133)	1,478,079	1,270,193	207,886
Security:						
Purchased Technical Services	11-000-266-340	100,000		100,000	53,444	46,556
General Supplies	11-000-266-610	7,100		7,100	1,395	5,705
Total Security		107,100	-	107,100	54,839	52,261
Total Other Operating & Maintenance of Plant Services		1,977,109	21,636	1,998,745	1,713,229	285,516
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	317,341		317,341	255,049	62,292
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	610,600		610,600	361,201	249,399
Salaries for Pupil Transportation (Between Home & School) - NonPublic	11-000-270-163	177,350		177,350	103,065	74,285
Cleaning, Repair & Maintenance Services	11-000-270-420	40,000	450	40,450	9,601	30,849
Lease Purchase Payments - Buses	11-000-270-443	53,314		53,314	53,314	-
Contracted Services Aid in Lieu Nonpublic	11-000-270-503	45,000		45,000	26,901	18,099
Contracted Svc Other - Regular Vendors	11-000-270-511	500		500		500
Contract Svc (Sp Ed) -Joint	11-000-270-515	174,000		174,000	22,771	151,229
Miscellaneous Purchased Services	11-000-270-593	1,500		1,500	-	1,500
General Supplies	11-000-270-610	120,000	(12,000)	108,000	51,565	56,435
Transportation Supplies	11-000-270-615	85,750	2,150	87,900	32,863	55,037
Miscellaneous Expenditures	11-000-270-800	17,500		17,500	6,851	10,649
Total Student Transportation Services		1,642,855	(9,400)	1,633,455	923,181	710,274

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		FINAL TO ACTUAL
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	350,940	(9,900)	341,040	265,204	75,836
Other Retirement Contributions - PERS	11-000-291-241	360,072	9,900	369,972	369,965	7
Other Retirement Contributions - Regular	11-000-291-249	18,500		18,500	12,561	5,939
Unemployment Compensation	11-000-291-250	1,000		1,000		1,000
Workmen's Compensation	11-000-291-260	162,902		162,902	155,025	7,877
Health Benefits	11-000-291-270	2,826,073	(75,000)	2,751,073	2,518,681	232,392
Tuition Reimbursement	11-000-291-280	55,000		55,000	14,580	40,420
Other Employee Benefits	11-000-291-290	165,000		165,000	159,705	5,295
Unused Sick Payments to Terminated/Retired Staff	11-000-291-299	15,000		15,000		15,000
Total Unallocated Benefits		3,954,487	(75,000)	3,879,487	3,495,721	383,766
Nonbudgeted:						
On-Behalf TPAF Medical Contributions					769,521	(769,521)
On-Behalf TPAF Pension Contributions					2,455,516	(2,455,516)
On-Behalf TPAF Long-Term Disability Contributions					1,237	(1,237)
Reimbursed TPAF Social Security Contributions					670,063	(670,063)
Total Nonbudgeted					3,896,337	(3,896,337)
Total Undistributed Expenditures		13,723,832	(81,949)	13,641,883	14,963,331	(1,321,448)
Total Expenditures - Current Expense		22,429,203	(162,752)	22,266,451	22,531,655	(265,204)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604	950		950	-	950
Interest Deposit to Maintenance Reserve	10-606	50		50		50
Equipment:						
Undistributed Expenditures:						
Instruction	12-000-100-731	55,081	(22,481)	32,600	26,091	6,509
Support Services - Students - Regular	12-000-200-730	9,924		9,924	-	9,924
Support Services - Students - General Administration	12-000-230-730		2,133	2,133	2,133	-
Custodial Services	12-000-262-730	32,000	337	32,337	32,337	-
Security	12-000-266-730	23,000	100	23,100	23,100	-
Student Transportation - Noninstructional Equipment	12-000-270-732	17,500	(15,107)	2,393	2,363	30
School Buses- Regular	12-000-270-733	101,500	100,111	201,611	201,610	1
School Buses- Special	12-000-270-734	64,000	(261)	63,739	63,594	145
School-Sponsoered Athletics Instructional Equipment	12-402-100-731	3,610		3,610	2,815	795
Total Equipment		306,615	64,832	371,447	354,043	17,404
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	35,000	298,732	333,732	298,732	35,000
Assesment for Debt service on SDA Funding	12-000-400-896	84,175		84,175	84,175	-
Total Facilities Acquisition & Construction Services		119,175	298,732	417,907	382,907	35,000
Total Capital Outlay		426,790	363,564	790,304	736,950	53,354

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Transfer of Funds to Charter Schools	22,317		22,317	21,912	405
Total Transfer of Funds to Charter Schools	22,317	-	22,317	21,912	405
Total Expenditures	22,878,310	200,812	23,079,072	23,290,517	(211,445)
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures Before Other Financing Sources/(Uses)	(1,827,311)	(507,527)	(2,334,788)	1,397,017	3,731,805
Other Financing Sources/(Uses):					
Capital Reserve to Capital Projects	(425,000)	235,978	(189,022)		189,022
Prior Year Receivables/Payables Canceled	-	-	-	21,329	21,329
Total Other Financing Sources/(Uses)	(425,000)	235,978	(189,022)	21,329	210,351
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)	(2,252,311)	(271,549)	(2,523,810)	1,418,346	3,942,156
Fund Balances, July 1 as previously stated	5,437,429	-	5,437,429	5,437,429	-
Prior Period Adjustment	59,135		59,135	59,135	
Fund Balances, July 1 as restated	5,496,564	-	5,496,564	5,496,564	-
Fund Balances, June 30	\$ 3,244,253	\$ (271,549)	\$ 2,972,754	\$ 6,914,910	\$ 3,942,156

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 271,549</u>
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RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 2,737,730
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	2,097,206
Capital Reserve	648,416
Maintenance Reserve	367,008
Unemployment Compensation Reserve	85,087
Assigned Fund Balance:	
Reserve for Encumbrances	20,241
FFCRA/SEMI Designated for Subsequent Year's Expenditures	2,301
Unassigned Fund Balance	<u>956,921</u>
Subtotal	6,914,910
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(791,049)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,123,861</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ 74,921	\$ 9,092	\$ 84,013	\$ 59,474	\$ (24,539)
Federal Sources	571,551	592,447	1,163,998	514,415	(649,583)
Local Sources			-	265,617	265,617
Total Revenues	646,472	601,539	1,248,011	839,506	(408,505)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	95,401	63,380	158,781	26,848	131,933
Purchased Professional & Technical Services	28,952	438	29,390	14,614	14,776
Purchased Professional - Educational Services		30,900	30,900	900	30,000
Miscellaneous Purchased Services	25,381	4,230	29,611	16,199	13,412
General Supplies	90,088	240,104	330,192	112,590	217,602
Tuition	225,044	3,500	228,544	193,103	35,441
Textbooks	5,620		5,620	5,619	1
Other Objects	2,000		2,000	50	1,950
Total Instruction	472,486	342,552	815,038	369,923	445,115
Support Services:					
Other Salaries	11,460	67,521	78,981	10,419	68,562
Personal Services - Employee Benefits	27,528	10,014	37,542	17,441	20,101
Purchased Professional & Technical Services	500		500	-	500
Purchased Professional - Educational Services	63,168	8,640	71,808	62,903	8,905
Purchased Professional Services	8,924	460	9,384	9,384	-
Other Purchased Services (400-500 Series)	3,009	4,002	7,011	1,188	5,823
Contracted Svc - Regular - Vendors	2,673	2,900	5,573	3,354	2,219
Supplies & Materials	39,321	133,180	172,501	91,042	81,459
Scholarships Awarded				4,600	(4,600)
Student Activities				343,726	(343,726)
Total Support Services	156,583	226,717	383,300	544,057	(160,757)
Facilities Acquisitions & Construction Services:					
Instructional Equipment	17,403		17,403	8,235	9,168
Non-Instructional Equipment		32,270	32,270		32,270
Total Facilities Acquisitions & Construction Services	17,403	32,270	49,673	8,235	41,438
Total Expenditures	646,472	601,539	1,248,011	922,215	325,796
Total Outflows	646,472	601,539	1,248,011	922,215	325,796
Other Financing Sources (Uses):					
Transfer from Permanent Fund				11,589	
Total Other Financing Sources (Uses):				11,589	
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	-	-	-	(71,120)	71,120
Fund Balance, July 1 as perviously stated					
Prior Period Adjustment				417,354	
Fund Balance, July 1 as restated				417,354	
Fund Balance, June 30				\$ 346,234	
Recatulation:					
Restricted:					
Student Activites				\$ 330,921	
Scholarships				15,313	
				346,234	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 24,687,534	\$ 839,506
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(43,303)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(791,049)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	775,543	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 24,672,028</u>	<u>\$ 796,203</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 23,290,517</u>	<u>\$ 922,215</u>
Differences- Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	<hr/> -	(43,303)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 23,290,517</u>	<u>\$ 878,912</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.03381920%	0.03286298%	0.03208710%	0.03183637%	0.03420992%	0.03367736%	0.03031907%	0.03093806%
District's proportionate share of the net pension liability (asset)	\$5,515,027	\$5,921,411	\$ 6,317,790	\$ 7,410,999	\$ 10,131,996	\$ 7,559,893	\$ 5,676,558	5,912,879
District's covered-employee payroll	2,340,276	2,372,611	2,324,820	2,234,842	2,120,627	2,177,425	2,010,231	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	235.657%	249.574%	271.754%	331.612%	477.783%	347.194%	282.383%	0.000%
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%

** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 369,965	\$ 319,660	\$ 319,163	\$ 294,930	\$ 303,916	\$ 289,535	\$ 249,946	\$ 233,112
Contributions in relation to the contractually required contribution	369,965	319,660	319,163	294,930	303,916	289,535	249,946	233,112
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,340,276	\$ 2,372,611	\$ 2,324,820	\$ 2,234,842	\$ 2,120,627	\$ 2,177,425	\$ 2,010,231	N/A
Contributions as a percentage of covered-employee payroll	15.81%	13.47%	13.73%	13.20%	14.33%	13.30%	12.43%	N/A

*** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 53,473,098	\$ 50,695,788	\$ 50,051,938	\$ 53,764,694	\$ 62,127,851	\$ 48,376,051	\$41,764,060	\$39,559,613
District's covered-employee payroll	9,047,703	9,123,069	8,905,611	8,585,920	8,424,438	8,147,501	7,835,258	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%	N/A

** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS***

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 1,547,506	\$ 1,550,664	\$ 1,706,246	\$ 2,060,627
Interest Cost	1,382,315	1,760,174	1,946,952	1,685,700
Difference between Expected and Actual Differences	11,490,012	(8,760,071)	(6,145,597)	-
Changes of Assumptions	11,582,838	573,708	(5,106,541)	(6,987,733)
Contributions: Member	33,460	35,013	41,125	45,414
Gross Benefit Payments	(1,103,917)	(1,181,155)	(1,189,901)	(1,233,319)
Net Change in District's Total OPEB Liability	24,932,214	(6,021,667)	(8,747,716)	(4,429,311)
District's Total OPEB Liability (Beginning)	38,477,839	44,499,506	53,247,222	57,676,533
District's Total OPEB Liability (Ending)	<u>\$ 63,410,053</u>	<u>\$ 38,477,839</u>	<u>\$ 44,499,506</u>	<u>\$ 53,247,222</u>
District's Covered Employee Payroll	\$ 11,387,979	\$ 11,495,680	\$ 11,230,431	\$ 10,820,762
District's Net OPEB Liability as a Percentage of Payroll	556.82%	334.72%	396.24%	492.08%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**GATEWAY REGIONAL HIGH 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 - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60 % as of June 30, 2019, to 5.6% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL Brought Forward			ESEA		IDEA		TOTALS
	EX. E-1	TITLE I PART A	TITLE I SIA	TITLE I REALLOCATED	TITLE II PART A	PART B BASIC REGULAR PROGRAM		
Revenues:								
State Sources	59,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	59,474
Federal Sources	169,814	58,660	19,341	22,576	16,606	227,418	514,415	
Local Sources	265,617						265,617	
Total Revenues	494,905	58,660	19,341	22,576	16,606	227,418	839,506	
Expenditures:								
Instruction:								
Salaries of Teachers	14,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	26,848
Purchased Professional & Technical Services	900							14,614
Purchased Professional Educational Services	16,199							900
Miscellaneous Purchased Services	88,676	7,858	11,786	4,100		170		16,199
General Supplies						193,103		112,590
Tuition								193,103
Textbooks	5,619							5,619
Other Objects		50						50
Total Instruction	126,008	34,756	11,786	4,100	-	193,273	-	369,923
Support Services:								
Other Salaries	3,000			7,419				10,419
Personal Services - Employee Benefits	16,874			567				17,441
Purchased Professional & Technical Services					9,850	34,145		62,903
Purchased Professional Educational Services	9,384							9,384
Purchased Professional Services					3,354			3,354
Other Purchased Services (400-500 series)	1,188							1,188
Contracted Svc Regular - Vendors	73,800	4,030	7,555	2,255	3,402			91,042
Supplies and Materials	4,600							4,600
Scholarships Awarded								4,600
Student Activities	343,726							343,726
Total Support Services	451,606	23,904	7,555	10,241	16,606	34,145	-	544,057
Facilities acquisition and construction:								
Instructional Equipment				8,235				8,235
Total Facilities acquisition and construction:	-	-	-	8,235	-	-	-	8,235
Total Expenditures	577,614	58,660	19,341	22,576	16,606	227,418	922,215	922,215
Other Financing Sources (Uses):								
Transfer from Permanent Fund	11,589							11,589
Total Other Financing Sources (Uses):	11,589	-	-	-	-	-	-	11,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,120)							(71,120)
Fund Balance, July 1 as previously stated								
Prior Period Adjustment	417,354							417,354
Fund Balance, July 1 (Restated)	417,354	-	-	-	-	-	-	417,354
Fund Balance, June 30	346,234	-	-	-	-	-	-	346,234

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL BROUGHT FORWARD EX. E-1	NJ NONPUBLIC HANDICAPPED				TOTAL CARRIED FORWARD
		CHAPTER 193 SERVICES EXAMINATION CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTARY INSTRUCTION	CHAPTER 192 SERVICES TRANSPORTATION COMPENSATORY EDUCATION	
Revenues:						
State Sources	\$ 15,003	\$	2,187	\$	1,188	\$ 59,474
Federal Sources	169,814	16,721		8,176		169,814
Local Sources	265,617					265,617
Total Revenues	\$ 450,434	\$ 16,721	\$ 2,187	\$ 8,176	\$ 1,188	\$ 494,905
Expenditures:						
Instruction:						
Purchased Professional Educational Services	900					900
Purchased Professional Technical Services	6,438			8,176		14,614
General Supplies	88,676				16,199	88,676
Miscellaneous Purchased Services						
Textbooks	5,619					5,619
Total Instruction	101,633	-	-	8,176	-	126,008
Support Services:						
Purchased Professional & Technical Services						
Purchased Professional Educational Services	9,384	16,721	2,187			18,908
Contracted Svc. Regular - Vendors				1,188		9,384
Supplies and Materials	73,800					1,188
Scholarships Awarded	4,600					73,800
Student Activities	343,726					4,600
Total Support Services	431,510	16,721	2,187	-	1,188	343,726
Total Expenditures	\$ 533,143	\$ 16,721	\$ 2,187	\$ 8,176	\$ 1,188	\$ 577,614
Other Financing Sources (Uses):						
Transfer from Permanent Fund	11,589					11,589
Total Other Financing Sources (Uses):	11,589					11,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,120)	-	-	-	-	(71,120)
Fund Balance, July 1 as previously stated Prior Period Adjustment	417,354					417,354
Fund Balance, July 1 (Restated)	417,354					417,354
Fund Balance, June 30	\$ 346,234	\$ -	\$ -	\$ -	\$ -	\$ 346,234

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL BROUGHT FORWARD	NONPUBLIC NURSING PROGRAM	CRRSA MENTAL HEALTH	NONPUBLIC TEXTBOOKS PROGRAM	CRRSA LEARNING ACCELERATION	SCHOLARSHIP	STUDENT ACTIVITIES	TOTAL CARRIED FORWARD
Revenues:								
State Sources	\$ -	\$ 9,384		\$ 5,619				\$ 15,003
Federal Sources	168,693		900		221			169,814
Local Sources						341	265,276	265,617
Total Revenues	\$ 168,693	\$ 9,384	\$ 900	\$ 5,619	\$ 221	\$ 341	\$ 265,276	\$ 450,434
Expenditures:								
Instruction:								
Purchased Professional & Technical Services	6,438							6,438
Purchased Professional Educational Services	-	-	900	-	-	-	-	900
General Supplies	88,676							88,676
Textbooks	-			5,619				5,619
Total Instruction	95,114	-	900	5,619	-	-	-	101,633
Support Services:								
Purchased Professional Services		9,384						9,384
Supplies and Materials	73,579				221			73,800
Scholarships Awarded						4,600		4,600
Student Activities							343,726	343,726
Total Support Services	73,579	9,384	-	-	221	4,600	343,726	431,510
Total Expenditures	\$ 168,693	\$ 9,384	\$ 900	\$ 5,619	\$ 221	\$ 4,600	\$ 343,726	\$ 533,143
Other Financing Sources (Uses):								
Transfer from Permanent Fund						11,589		11,589
Total Other Financing Sources (Uses):						11,589		11,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	7,330	(78,450)	(71,120)
Fund Balance, July 1 as previously stated								
Prior Period Adjustment								
Fund Balance, July 1 (Restated)						7,983	409,371	417,354
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,313	\$ 330,921	\$ 346,234

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	CARES STABILIZATION FUND	NONPUBLIC TECHNOLOGY INITIATIVE	CORONAVIRUS RELIEF FUND (CRF)	TITLE IV	ESSER II	TOTAL CARRIED FORWARD
Revenues:						
Federal Sources	50,636	4,002	64,013	7,643	42,399	168,693
Total Revenues	\$ 50,636	\$ 4,002	\$ 64,013	\$ 7,643	\$ 42,399	\$ 168,693
Expenditures:						
Instruction:						
Purchased Professional & Technical Services	-	-	-	6,438	-	6,438
General Supplies	43,120	4,002		565	40,989	88,676
Total Instruction	43,120	4,002	-	7,003	40,989	95,114
Support Services:						
Supplies and Materials	7,516		64,013	640	1,410	73,579
Total Support Services	7,516	-	64,013	640	1,410	73,579
Total Expenditures	\$ 50,636	\$ 4,002	\$ 64,013	\$ 7,643	\$ 42,399	\$ 168,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1 as previously stated Prior Period Adjustment						-
Fund Balance, July 1 (Restated)						-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

F. Capital Projects Fund

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2021
		PRIOR YEARS	CURRENT YEAR	
Replace Existing Roof System and Refurbish the 300 Wing Elevator	\$ 423,036	\$ 321,106		\$ 101,930
	<u>\$ 423,036</u>	<u>\$ 321,106</u>	<u>\$ -</u>	<u>\$ 101,930</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fund Balance - Beginning	<u>101,930</u>
Fund Balance - Ending	<u><u>\$ 101,930</u></u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
POWER MANAGEMENT PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State sources - ROD Grant	\$ 423,036	\$ -	\$ 423,036	\$ 423,036
Total Revenues	423,036	-	423,036	423,036
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	8,551	-	8,551	84,607
Construction Services	312,555	-	312,555	338,429
Total Expenditures	321,106	-	321,106	423,036
Over/(Under) Expenditures	\$ 101,930	\$ -	\$ 101,930	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	SP-#1715-050-14-1001
Grant Date	11/30/15
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$423,036
Revised Authorized Cost	\$423,036
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Original Target Completion Date	9/30/2020
Revised Target Completion Date	N/A

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G. Proprietary Funds

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Enterprise Funds

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activities</u>	
	Food Service	
	Fund	2021
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 103,775	\$ 103,775
Accounts Receivable:		
Federal	42,503	42,503
State	3,218	3,218
Other	7,643	7,643
Inventories	4,661	4,661
	<hr/>	<hr/>
Total Current Assets	161,800	161,800
Capital Assets:		
Equipment	138,390	138,390
Accumulated Depreciation	(134,527)	(134,527)
	<hr/>	<hr/>
Total Capital Assets	3,863	3,863
	<hr/>	<hr/>
Total Assets	165,663	165,663
	<hr/>	<hr/>
LIABILITIES		
Unearned Revenue	14,890	14,890
Accounts Payable	34,326	34,326
	<hr/>	<hr/>
Total Liabilities	49,216	49,216
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	3,863	3,863
Unrestricted	112,584	112,584
	<hr/>	<hr/>
Total Net Position	\$ 116,447	\$ 116,447
	<hr/> <hr/>	<hr/> <hr/>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities		2021
	Food Service Fund	Other Funds	
Operating Revenues:			
Local Sources:			
Daily Sales - Nonreimbursable Programs	\$ 113	\$ -	\$ 113
Special Functions	7,872		7,872
Total Operating Revenue	7,985	-	7,985
Operating Expenses:			
Salaries	125,139		125,139
Employee Benefits	64,893		64,893
Supplies & Materials	18,793		18,793
Other Purchased Services (300-500 series)	37,335		37,335
Management Fee	24,384		24,384
Cost of Sales - Reimbursable	217,717		217,717
Cost of Sales - Non Reimbursable	3,167		3,167
Miscellaneous expenditures	16,013		16,013
Depreciation Expense	688		688
Total Operating Expenses	508,129	-	508,129
Operating Income/(Loss)	(500,144)	-	(500,144)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	16,591		16,591
Federal Sources:			
National School Lunch Program			-
COVID-19 National School Lunch Program	291,267		291,267
COVID-19 Breakfast Program	186,929		186,929
COVID-19 Healthy Hunger-Free Kids Act	5,776		5,776
COVID-19 After School Snacks	25,508		25,508
Food Distribution Program	28,813		28,813
Interest Income	103		103
Total Nonoperating Revenues	554,987	-	554,987
Net Income/(Loss) before contributions	54,843	-	54,843
Transfers to Internal Service Fund		(177,444)	(177,444)
Net Income/(Loss)	54,843	(177,444)	(122,601)
Net Position - July 1	61,604	177,444	239,048
Net Position/(Deficit) - June 30	\$ 116,447	\$ -	\$ 116,447

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities		2021
	Food Service Fund	Other Funds	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 7,985	\$ -	\$ 7,985
Payments to Employees	(125,139)		(125,139)
Payments for Employee Benefits	(62,810)		(62,810)
Payments to Suppliers	(308,680)		(308,680)
Net Cash Provided/(Used) by Operating Activities:	(488,644)	-	(488,644)
Cash Flows From Noncapital Financing Activities:			
State Sources	13,566		13,566
Federal Sources	486,885		486,885
Transfer to Internal Service Funds		(187,194)	(187,194)
Net Cash Provided/(Used) by Noncapital Financing Activities:	500,451	(187,194)	313,257
Cash Flows From Investing Activities:			
Equipment Purchases	(4,120)		(4,120)
Interest Earned	103		103
Net Cash Provided/(Used) by Investing Activities:	(4,017)	-	(4,017)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,790	(187,194)	(179,404)
Balances - Beginning of Year	95,985	187,194	283,179
Balances - End of Year	\$ 103,775	\$ -	\$ 103,775
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	(500,144)	\$ -	(500,144)
Adjustments to Reconcile Operating Income/(Loss) to			
Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	28,813		28,813
Depreciation & Net Amortization	688	-	688
(Increase)/Decrease in Accounts Receivable	(7,643)	-	(7,643)
(Increase)/Decrease in Inventories	3,261		3,261
Increase/(Decrease) in Unearned Income	14,890		14,890
Increase/(Decrease) in Accounts Payable	(28,509)	-	(28,509)
Total Adjustments	11,500	-	11,500
Net Cash Provided/(Used) by Operating Activities:	\$ (488,644)	\$ -	\$ (488,644)

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Internal Service Fund

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

	Child Study Team	Business Services	Chief School Administrator	Total
ASSETS				
Cash & Cash Equivalents	\$ 126,830	\$ -	\$ 96,740	\$ 223,570
Intergovernmental Accounts Receivable		49,098		49,098
Total Assets	126,830	49,098	96,740	272,668
LIABILITIES				
Cash Deficit		35,702		35,702
Accounts Payable	6,944			6,944
Total Current Liabilities	6,944	35,702	-	42,646
NET POSITION				
Unrestricted	119,886	13,396	96,740	230,022
Total Net Position	\$ 119,886	\$ 13,396	\$ 96,740	\$ 230,022

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	Child Study Team	Business Services	Chief School Administrator	Total
Operating Revenues:				
Local Sources:				
Services provided to other School Districts	\$ 870,126	\$ 245,611	\$ 67,000	\$ 1,182,737
Total Operating Revenue	870,126	245,611	67,000	1,182,737
Operating Expenses:				
Salaries	655,495	247,965	58,159	961,619
Employee Benefits	141,417		6,377	147,794
Purchased Professional/Educational Services	7,949			7,949
Other Purchased Services	4,669	1,207	525	6,401
Supplies & Materials	3,839	138		3,977
Miscellaneous	1,214	1,205		2,419
Total Operating Expenses	814,583	250,515	65,061	1,130,159
Operating Income/(Loss)	55,543	(4,904)	1,939	52,578
Transfer from Enterprise Funds	64,343	18,300	94,801	177,444
Total Net Position - Ending	\$ 119,886	\$ 13,396	\$ 96,740	\$ 230,022

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	Child Study Team	Business Services	Chief School Administrator	Total
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 870,126	\$ 196,513	\$ 67,000	\$ 1,133,639
Payments to Employees	(655,495)	(247,965)	(58,159)	(961,619)
Payments for Employee Benefits	(141,417)	-	(6,377)	(147,794)
Payments to Suppliers	(20,477)	(2,550)	(525)	(23,552)
Net Cash Provided/(Used) by Operating Activities	52,737	(54,002)	1,939	674
Cash Flows From Noncapital Financing Activities:				
Transfers from Other Funds	74,093	18,300	94,801	187,194
Net Cash Provided by Noncapital Financing Activities	74,093	18,300	94,801	187,194
Net Increase/(Decrease) in Cash & Cash Equivalents	126,830	(35,702)	96,740	187,868
Balances - Beginning of Year	-	-	-	-
Balances - Ending of Year	\$ 126,830	\$ (35,702)	\$ 96,740	\$ 187,868

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 55,543	\$ (4,904)	\$ 1,939	52,578
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
(Increase)/Decrease in Accounts Receivable	-	(49,098)	-	(49,098)
Increase/(Decrease) in Accounts Payable	(2,806)			(2,806)
Net Cash Provided/(Used) by Operating Activities	\$ 52,737	\$ (54,002)	\$ 1,939	\$ 674

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I. Long-Term Debt

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**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2020	RETIRED	BALANCE JUNE 30, 2021
Refunding School Bonds, Series 2012	5/13/12	\$ 6,275,000	3/1/22-24	\$ 440,000	4.0000%	\$ 3,920,000	\$ 440,000	\$ 3,480,000
			3/1/2025	440,000	3.7500%			
			3/1/26-27	435,000	3.7500%			
			3/1/2028	430,000	3.1250%			
			3/1/2029	420,000	3.1250%			
Total						\$ 3,920,000	\$ 440,000	\$ 3,480,000

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021**

DESCRIPTION	DATE OF LEASE	TERM	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST	INTEREST RATE	AMOUNT OUTSTANDING		AMOUNT OUTSTANDING JUNE 30, 2021
						JUNE 30, 2020	ISSUED	
School Bus	9/29/2017	5 Years	\$ 256,862	\$ 9,708	1.890%	\$ 103,679	\$ -	\$ 51,354
Total						\$ 103,679	\$ -	\$ 52,325

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 586,086		\$ 586,086	\$ 586,086	\$ -
Total Revenues	586,086	-	586,086	586,086	-
Expenditures:					
Regular Debt Service:					
Interest	146,088		146,088	146,087	1
Redemption of Principal	440,000		440,000	440,000	-
Total Expenditures	586,088	-	586,088	586,087	1
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(2)	-	(2)	(1)	1
Fund Balances July 1	1		1	1	-
Fund Balances June 30, 2021	\$ (1)	\$ -	\$ (1)	\$ -	\$ 1

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STATISTICAL SECTION (Unaudited)

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GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 10,493,089	\$ 10,291,051	\$ 9,808,913	\$ 9,988,984	\$ 9,875,658	\$ 9,667,272	\$ 9,678,422	\$ 9,928,469	\$ 9,910,437	\$ 10,082,430
Restricted	6,383,611	5,072,089	5,108,837	4,534,283	4,192,244	3,760,309	3,145,944	3,105,499	3,035,257	2,679,114
Unrestricted	(7,495,487)	(9,070,985)	(8,732,927)	(10,944,766)	(7,882,764)	(6,755,886)	(6,483,150)	(871,557)	(831,752)	(584,397)
Total Governmental	\$ 9,381,213	\$ 6,292,155	\$ 6,184,823	\$ 3,578,501	\$ 6,185,138	\$ 6,671,695	\$ 6,341,216	\$ 12,162,411	\$ 12,113,942	\$ 12,177,147
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 3,863	\$ 431	\$ 1,292	\$ 2,153	\$ 3,015	\$ 12,566	\$ 15,400	\$ 22,733	\$ 30,702	\$ 39,291
Unrestricted	112,584	238,617	318,471	308,921	304,165	207,363	173,090	177,820	149,740	87,968
Total Business-Type	\$ 116,447	\$ 239,048	\$ 319,763	\$ 311,074	\$ 307,180	\$ 219,929	\$ 188,490	\$ 200,553	\$ 180,442	\$ 127,259
District-Wide:										
Net Investment in										
Capital Assets	\$ 10,496,952	\$ 10,291,482	\$ 9,810,205	\$ 9,991,137	\$ 9,878,673	\$ 9,679,838	\$ 9,693,822	\$ 9,951,202	\$ 9,941,139	\$ 10,121,721
Restricted	6,383,611	5,072,089	5,108,837	4,534,283	4,192,244	3,760,309	3,145,944	3,105,499	3,035,257	2,679,114
Unrestricted	(7,382,903)	(8,832,368)	(8,414,456)	(10,635,845)	(7,578,599)	(6,548,523)	(6,310,060)	(693,737)	(682,012)	(496,429)
Total District Net Position	\$ 9,497,660	\$ 6,531,203	\$ 6,504,586	\$ 3,889,575	\$ 6,492,318	\$ 6,891,624	\$ 6,529,706	\$ 12,362,964	\$ 12,294,384	\$ 12,304,406

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 4,878,538	\$ 5,709,393	\$ 5,615,312	\$ 5,756,271	\$ 5,635,366	\$ 5,520,080	\$ 5,537,714	\$ 5,269,382	\$ 5,469,950	\$ 5,542,377
Special Education	2,160,660	2,305,747	2,282,890	1,963,949	1,822,641	1,750,519	1,807,084	1,567,448	1,560,121	1,175,624
Other Special Instruction	227,231	220,760	218,793	223,119	220,669	234,488	221,276	212,750	221,101	210,324
Other Instruction	630,658	680,388	652,419	629,308	675,442	647,136	656,434	644,010	602,544	586,662
Support Services & Undistributed Costs:										
Student & Instruction Related Services	5,150,553	4,153,963	3,815,832	3,754,584	3,694,832	3,897,265	3,944,510	3,769,640	3,402,846	3,079,612
General Administration & Central Services	924,246	859,192	785,207	755,093	728,963	737,587	687,307	712,571	707,759	602,198
School Administrative Services	532,137	457,696	407,759	452,445	423,278	405,275	395,346	405,517	394,566	458,842
Plant Operations & Maintenance	1,713,229	1,757,119	1,761,319	1,597,215	1,515,158	1,454,688	1,507,795	1,603,274	1,452,207	1,431,505
Pupil Transportation	871,827	1,441,970	1,526,917	1,502,102	1,496,763	1,468,449	1,466,549	1,477,332	1,474,172	1,447,177
Employee Benefits	13,237,022	6,845,902	8,330,096	9,035,771	6,632,504	5,337,211	4,617,551	4,264,262	4,192,442	3,622,456
Interest on long-term debt	284,622	17,987	178,887	190,588	201,688	207,838	109,576	126,155	200,523	225,717
Capital Outlay	2,391	162,888	106,941	85,798	28,067	334,701	222,837	235,038	186,903	
Transfer to Charter Schools	21,912	18,556								
Amortization of Bond Issuance Costs	844,256									
Total Governmental Activities	31,479,282	24,631,561	25,682,372	25,946,243	23,075,371	21,995,237	21,173,979	20,287,379	19,865,134	18,384,996
Business-Type Activities:										
Food Service	508,129	643,377	835,429	856,234	861,369	793,660	822,659	752,797	705,123	734,613
Other	-	1,080,862	1,098,724	1,010,236	1,001,644	957,406	987,467	973,074	942,101	945,050
Total Business-Type Activities	508,129	1,724,239	1,934,153	1,866,470	1,863,013	1,751,066	1,810,126	1,725,871	1,647,224	1,679,663
Total District Expenses	\$ 31,987,411	\$ 26,355,800	\$ 27,616,525	\$ 27,812,713	\$ 24,938,384	\$ 23,746,303	\$ 22,984,105	\$ 22,013,250	\$ 21,512,358	\$ 20,064,659
Program Revenues:										
Governmental Activities:										
Charges for Services:	\$ 1,183,078									1,193,026
Operating Grants & Contributions	7,390,555	601,645	624,436	465,791	481,086	512,440	610,881	468,416	422,755	1,766,640
Total Governmental Activities	8,573,633	601,645	624,436	465,791	481,086	512,440	610,881	468,416	422,755	2,959,666

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Business-Type Activities:										
Charges for Services:										
Food Service	7,985	236,034	379,930	395,921	389,964	375,002	368,619	399,861	394,822	381,686
Other	-	989,051	1,143,603	1,045,711	1,090,583	968,767	990,001	971,257	964,676	947,205
Operating Grants & Contributions	554,884	418,016	418,592	428,096	469,016	438,062	438,762	376,592	340,107	330,624
Total Business Type Activities	562,869	1,643,101	1,942,125	1,869,728	1,949,563	1,781,831	1,797,382	1,747,710	1,699,605	1,659,515
Program Revenues										
Total District Program Revenues	\$ 9,136,502	\$ 2,244,746	\$ 2,566,561	\$ 2,335,519	\$ 2,430,649	\$ 2,294,271	\$ 2,408,263	\$ 2,216,126	\$ 2,122,360	\$ 4,619,181
Net (Expense)/Revenue:										
Governmental Activities	\$ (22,905,649)	\$ (24,029,916)	\$ (25,057,936)	\$ (25,480,452)	\$ (22,594,285)	\$ (21,482,797)	\$ (20,563,098)	\$ (19,818,963)	\$ (19,442,379)	\$ (15,425,330)
Business-Type Activities	54,740	(81,138)	7,972	3,258	86,550	30,765	(12,744)	21,839	52,381	(20,148)
Total District-Wide Net Expense	\$ (22,850,909)	\$ (24,111,054)	\$ (25,049,964)	\$ (25,477,194)	\$ (22,507,735)	\$ (21,452,032)	\$ (20,575,842)	\$ (19,797,124)	\$ (19,389,998)	\$ (15,445,478)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 11,320,188	\$ 11,098,220	\$ 10,880,608	\$ 10,667,263	\$ 10,311,042	\$ 9,849,922	\$ 9,388,159	\$ 9,204,077	\$ 9,023,605	\$ 8,890,249
Taxes Levied for Debt Service	586,086	582,887	578,889	565,446	571,688	567,838	567,839	565,038	570,128	581,725
Federal & State Aid Not Restricted	11,766,089	11,376,057	12,785,854	10,329,682	9,856,232	9,967,851	9,157,806	8,869,396	8,617,306	7,016,136
Tuition	191,705	129,210	155,820	147,060	32,999	186,710	135,626	32,319	38,900	64,230
Transportation Fees	611,529	1,013,517	1,152,475	1,096,815	1,173,957	1,174,765	1,091,460	1,160,762	1,120,850	1,120,850
Investment Earnings	14,364	21,190	19,552	16,272	16,166	15,800	15,373	16,108	28,058	130,491
Miscellaneous Income	96,853	36,114	23,133	51,277	173,510	50,956	65,407	20,805	40,282	130,491
Cancellation of Prior Year Rec/Payables	21,329	(119,947)	(11,905)		(27,866)	(566)		(1,073)	13,697	(324,943)
Sale of Capital Assets									(62,434)	(2,250)
Bond Issuance Costs									(11,217)	
Gain/ (Loss) on disposal of assets										
Transfer to/from Business-type activities	177,444									
Total Governmental Activities	24,785,587	24,137,248	25,584,426	22,873,815	22,107,728	21,813,276	20,421,670	19,867,432	19,379,175	16,355,638
Business-Type Activities:										
Investment Earnings	103	423	717	636	701	674	681	782	884	1,031
Miscellaneous Income										2,495
Transfer to Internal Service Fund	(177,444)									
Cancellation of Prior Year Rec/Payables								(2,510)	(83)	(150)
Total Business-Type Activities	(177,341)	423	717	636	701	674	681	(1,728)	801	3,376
Total District-Wide	\$ 24,608,246	\$ 24,137,671	\$ 25,585,143	\$ 22,874,451	\$ 22,108,429	\$ 21,813,950	\$ 20,422,351	\$ 19,865,704	\$ 19,379,976	\$ 16,359,014
Change in Net Position:										
Governmental Activities	\$ 1,879,938	\$ 107,332	\$ 526,490	\$ (2,606,637)	\$ (486,557)	\$ 330,479	\$ (141,428)	\$ 48,469	\$ (63,204)	\$ 930,308
Business-Type Activities	(122,601)	(80,715)	8,689	3,894	87,251	31,439	(12,063)	20,111	53,182	(16,772)
Total District	\$ 1,757,337	\$ 26,617	\$ 535,179	\$ (2,602,743)	\$ (399,306)	\$ 361,918	\$ (153,491)	\$ 68,580	\$ (10,022)	\$ 913,536

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 4,667,947	\$ 4,736,599	\$ 4,376,520	\$ 4,072,280	\$ 3,334,707	\$ 2,965,796	\$ 2,586,994	\$ 2,755,328	\$ 2,432,857	\$ 2,432,857
Assigned	22,542	258,845	44,457	2,892	59,264	153,646	492,015	253,440	217,920	217,920
Unassigned	165,872	(256,632)	(256,738)	(256,361)	(242,467)	(265,439)	(286,702)	(256,546)	(245,179)	(245,179)
Total General Fund	\$ 4,661,886	\$ 4,738,812	\$ 4,164,239	\$ 3,818,811	\$ 3,151,504	\$ 2,854,003	\$ 2,792,307	\$ 2,752,222	\$ 2,405,598	\$ 2,405,598
All Other Governmental Funds:										
Restricted										
Special Revenue Fund	\$ 346,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	101,930	101,930	101,930	101,930	339,855	15,142	15,140	15,140	15,535	15,535
Debt Service Fund		2		15,142	15,142	15,142	15,140	15,140	1,444	1,444
Permanent Fund	792	666	579	567	544	563	553	552	1,444	1,444
Nonspendable Reported in Permanent Fund	10,797	10,797	10,797	10,797	10,797	10,797	10,797	10,797	11,357	11,357
Total All Other Governmental Funds	\$ 448,164	\$ 113,395	\$ 113,306	\$ 128,436	\$ 366,338	\$ 26,502	\$ 26,490	\$ 26,489	\$ 28,336	\$ 28,336

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 11,906,274	\$ 11,681,107	\$ 11,459,497	\$ 11,232,709	\$ 10,882,730	\$ 10,417,760	\$ 9,955,998	\$ 9,769,115	\$ 9,593,733	\$ 9,471,974
Tuition	191,705	129,210	155,820	170,189	157,452	186,710	135,626	32,319	38,900	64,230
Transportation Fees	611,529	1,013,517	1,152,475	1,096,815	1,173,957	1,174,765	1,091,460	1,160,762	1,120,850	1,193,026
Interest Charges	14,364	23,548	19,464	16,260	16,166	14,129	18,661	16,108	27,261	24,221
Miscellaneous	362,470	33,756	23,221	28,160	49,057	54,556	62,119	20,805	41,079	106,270
State Sources	12,468,080	11,490,116	11,185,901	10,369,332	9,896,092	10,004,359	9,200,431	8,907,627	8,656,302	8,131,195
Federal Sources	499,895	487,586	577,238	426,141	441,226	474,003	568,256	430,185	383,759	651,580
Total Revenue	26,054,317	24,858,840	24,573,616	23,339,606	22,616,680	22,326,282	21,032,551	20,336,921	19,861,884	19,642,496
Expenditures:										
Current Expense:										
Regular Instruction	4,878,538	5,098,763	5,242,325	5,312,714	5,232,423	5,016,645	5,103,280	4,800,278	4,873,532	5,075,850
Special Education Instruction	2,160,660	2,305,747	2,282,890	1,963,949	1,822,641	1,750,519	1,807,084	1,567,448	1,560,121	1,175,624
Other Special Instruction	227,231	220,760	218,793	223,119	220,669	234,488	221,276	212,750	22,101	210,324
Other Instruction	630,658	680,388	652,419	629,308	675,442	647,136	656,434	644,010	602,544	586,662
Support Services:										
Tuition, Student & Instruction Related	4,335,970	4,063,409	3,725,887	3,666,520	3,608,389	3,803,373	3,853,484	3,677,446	3,311,925	2,986,307
General Administrative	673,731	776,870	703,439	675,035	734,020	632,766	604,556	628,759	625,104	602,198
School Administration	467,076	456,673	448,415	451,798	331,853	432,049	424,329	402,390	372,055	374,019
Plant Operations and Maintenance	1,713,229	1,691,261	1,695,905	1,533,169	1,452,290	1,386,403	1,441,594	1,536,224	1,386,083	1,363,647
Pupil Transportation	923,181	1,310,255	1,445,555	1,614,427	1,423,675	1,331,879	1,334,148	1,343,232	1,341,925	1,311,460
Employee Benefits	7,392,058	6,657,124	6,647,984	6,005,842	5,598,100	5,143,837	4,614,783	4,263,363	4,186,216	3,708,742
Capital Outlay	661,010	953,000	344,550	609,701	652,300	837,115	342,038	651,824	482,675	857,306
Debt Service										
Principal	440,000	420,000	400,000	390,000	370,000	360,000	345,000	330,000	370,000	295,000
Interest	230,262	162,888	178,887	190,588	201,688	207,838	222,837	235,038	200,523	286,725
Transfer to Charter School	21,912	18,556								
Total Expenditures	24,755,516	24,815,694	23,987,049	23,266,170	22,323,490	21,784,048	20,970,843	20,292,762	19,334,804	18,833,864
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,298,801	43,146	586,567	73,436	293,190	542,234	61,708	44,159	527,080	808,632
Other Financing Sources/(Uses):										
Capital Leases (Nonbudget)	-			256,862	164,081	95,669				195,481
Cancellation of Prior year receivable/payables	21,329	(119,947)	(11,905)	(27,866)	(566)			(1,073)	13,697	
Total Other Financing Sources/(Uses)	21,329	(119,947)	(11,905)	256,862	136,215	95,103	-	(1,073)	13,697	195,481
Net Change in Fund Balances	\$ 1,320,130	\$ (76,801)	\$ 574,662	\$ 330,298	\$ 429,405	\$ 637,337	\$ 61,708	\$ 43,086	\$ 540,777	\$ 1,004,113
Debt Service as a Percentage of Noncapital Expenditures	2.9%	2.5%	2.5%	2.6%	2.7%	2.8%	2.8%	3.0%	3.1%	3.3%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED <u>JUNE 30,</u>	<u>Facility Rentals</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Unemployment Compensation</u>	<u>Insurance Claims</u>	<u>Sale of Assets</u>	<u>TOTAL</u>
2021	\$ -	\$ 53,635		\$ 25,952		\$ 17,266	96,853
2020		33,630					33,630
2019	2,750	15,613				4,771	23,134
2018	275	19,801	8,072				28,148
2017		30,086	18,894				48,980
2016	3,800	6,232	37,513			7,011	54,556
2015	1,388	18,343	16,127		13,088	13,088	62,034
2014	3,225	17,531					20,756
2013	12,875	28,204					41,079
2012	4,385	72,421	19,561			9,903	106,270

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	NATIONAL PARK										TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE					
2021	2,219,600	148,806,100			6,800,100	166,300	709,100	158,701,200	342,774	\$ 159,043,974	1.449	\$ 159,174,774			
2020	2,263,500	148,945,300			6,043,100	166,300	709,100	158,127,300	354,579	158,481,879	1.434	159,128,593			
2019	2,194,300	148,823,300			5,993,100	166,300	709,100	157,886,100	355,082	158,241,182	1.408	158,666,764			
2018	2,194,800	148,996,700			6,060,700	166,300	709,100	158,127,600	366,124	158,493,724	1.363	155,870,012			
2017	2,195,500	149,215,800			6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	1.339	150,388,319			
2016	2,195,500	149,475,000			6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	1.312	158,100,720			
2015	2,238,000	149,817,400			5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	1.295	162,601,818			
2014	3,301,600	165,387,600			7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	1.132	174,814,958			
2013	3,262,900	165,757,700			7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	1.110	182,564,425			
2012	3,334,200	166,522,300			7,963,500	209,400	607,300	178,427,300	368,601	178,795,901	1.074	181,023,553			
WENONAH															
2021	\$ 735,900	\$ 211,468,100	\$ -	\$ -	\$ 5,931,500	\$ -	\$ -	\$ 218,135,500	\$ -	\$ 218,135,500	1.404	\$ 223,115,200			
2020	643,900	211,490,900	-	-	6,065,500	-	-	218,200,300	-	218,200,300	1.376	221,036,535			
2019	663,000	213,807,300	-	-	5,540,500	-	-	220,010,800	-	220,010,800	1.336	221,590,713			
2018	761,300	215,293,900	-	-	5,567,800	-	-	221,623,000	-	221,623,000	1.297	217,844,434			
2017	1,322,300	216,085,600	-	-	5,934,300	-	-	223,342,200	-	223,342,200	1.262	222,819,087			
2016	1,382,800	216,886,900	-	-	6,159,100	-	-	224,428,800	-	224,428,800	1.233	226,253,146			
2015	1,707,700	216,444,800	-	-	6,486,700	-	-	224,639,200	-	224,639,200	1.210	232,947,471			
2014	1,751,700	244,644,600	-	-	7,274,300	-	-	253,670,600	-	253,670,600	1.050	240,495,923			
2013	1,841,700	247,267,300	-	-	6,924,300	-	-	256,033,300	243,865	256,277,165	1.016	240,884,196			
2012	1,957,800	251,261,700	-	-	7,374,400	-	-	260,593,900	243,037	260,836,937	0.964	230,528,596			

Source: Gloucester County Abstract of Ratables

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	WESTVILLE										TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE				
	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE											
2021	2,673,300	173,947,400	-	-	21,145,500	24,116,200	10,054,900	231,937,300	229,833	\$	232,167,133	1.219	\$	219,231,805					
2020	2,225,600	173,496,300	-	-	21,289,100	24,290,800	10,074,900	231,376,700	214,347		231,591,047	1.198		239,197,464					
2019	2,153,200	174,573,300	-	-	21,801,900	24,669,200	10,074,900	233,272,500	208,848		233,481,348	1.062		247,305,671					
2018	2,137,800	174,430,600	-	-	22,732,600	25,963,200	10,074,900	235,339,100	213,290		235,552,390	1.234		248,495,655					
2017	2,145,800	174,631,100	-	-	22,918,300	26,787,600	10,143,100	236,625,900	214,936		236,840,836	1.145		253,869,778					
2016	2,260,300	174,483,200	-	-	23,193,200	26,906,600	10,172,500	237,015,800	227,783		237,243,583	1.104		250,163,793					
2015	2,376,800	190,783,270	-	-	25,951,100	31,439,400	10,579,100	261,129,670	227,089		261,356,759	0.928		251,787,293					
2014	2,267,400	190,951,470	-	-	25,496,700	33,368,400	11,034,600	263,118,570	328,424		263,446,994	0.886		261,356,759					
2013	2,753,600	191,459,070	-	-	27,124,600	35,202,400	11,642,400	268,182,070	347,069		268,529,139	0.838		244,656,105					
2012	1,317,300	121,462,400	-	-	14,532,000	17,044,800	6,210,200	160,566,700	197,031		160,763,731	1.356		261,684,269					
WOODBURY HEIGHTS																			
2021	\$	5,296,400	\$	190,457,000	\$	46,411,500	\$	6,911,100	\$	300,000	\$	249,376,000	\$	641,821	\$	250,017,821	1.138	\$	269,566,870
2020		5,296,400		190,323,800		46,682,500		6,911,100		300,000		249,513,800		648,620		250,162,420	1.115		264,955,862
2019		5,444,500		191,444,300		46,643,200		6,911,100		300,000		250,743,100		647,817		251,390,917	1.078		262,878,676
2018		7,022,800		191,393,100		47,196,900		6,911,100		300,000		252,823,900		661,467		253,485,367	1.070		263,967,992
2017		7,078,400		191,407,600		47,045,400		7,234,700		300,000		253,066,100		661,277		253,727,377	1.029		264,568,430
2016		7,163,100		191,274,400		47,745,100		7,163,700		300,000		253,646,300		663,967		254,310,267	0.988		261,697,969
2015		7,266,700		191,390,700		50,974,700		6,167,800		300,000		256,099,900		657,377		256,757,277	0.944		260,980,707
2014		7,361,400		191,765,800		54,773,000		6,158,500		300,000		260,358,700		730,428		261,089,128	0.906		266,660,441
2013		4,561,000		192,215,000		57,283,200		12,578,300		376,700		267,014,200		702,952		267,717,152	0.868		267,717,152
2012		2,492,600		153,714,000		32,844,000		7,411,800		507,200		196,969,600		483,976		197,453,576	1.144		305,915,129

Source: Gloucester County Abstract of Ratables

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

NATIONAL PARK

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	DEBT SERVICE	TOTAL		BOROUGH OF NATIONAL PARK	GATEWAY REGIONAL HIGH SCHOOL			ALL GLOUCESTER COUNTY
						LOCAL SCHOOL	DEBT SERVICE		
2021	1.449	0.000	1.449	0.932	1.346	0.773	4.500		
2020	1.434	0.000	1.434	0.916	1.294	0.735	4.379		
2019	1.408	0.000	1.408	0.905	1.316	0.732	4.361		
2018	1.363	0.000	1.363	0.893	1.264	0.710	4.230		
2017	1.339	0.000	1.339	0.883	1.159	0.683	4.064		
2016	1.312	0.000	1.312	0.873	1.138	0.699	4.022		
2015	1.295	0.000	1.295	0.901	1.139	0.676	4.011		
2014	1.132	0.000	1.132	0.844	1.077	0.639	3.692		
2013	1.110	0.000	1.110	0.844	1.101	0.608	3.663		
2012	1.074	0.000	1.074	0.820	0.953	0.591	3.438		

WENONAH

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	BASIC RATE	DEBT SERVICE	TOTAL		BOROUGH OF WENONAH	GATEWAY REGIONAL SCHOOL			GLOUCESTER COUNTY
						BASIC RATE	DEBT SERVICE		
2021	1.312	0.092	1.404	0.701	1.422	0.702	4.229		
2020	1.287	0.089	1.376	0.701	1.429	0.707	4.213		
2019	1.245	0.091	1.336	0.739	1.381	0.689	4.145		
2018	1.209	0.088	1.297	0.817	1.332	0.628	4.074		
2017	1.176	0.086	1.262	0.799	1.344	0.669	4.074		
2016	1.148	0.085	1.233	0.799	1.276	0.679	3.987		
2015	1.123	0.086	1.209	0.802	1.212	0.678	3.901		
2014	0.976	0.074	1.050	0.711	1.007	0.582	3.350		
2013	0.941	0.075	1.016	0.706	0.874	0.564	3.160		
2012	0.896	0.069	0.965	0.679	0.802	0.468	2.914		

Source: Gloucester County Board of Taxation - Abstract of Ratables.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

WESTVILLE

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	DEBT SERVICE		BOROUGH OF WESTVILLE	GATEWAY REGIONAL HIGH SCHOOL	ALL GLOUCESTER COUNTY	
2021	1.219	0.000	1.219	1.408	1.317	0.718	4.662
2020	1.198	0.000	1.198	1.354	1.278	0.729	4.559
2019	1.062	0.000	1.062	1.323	1.228	0.742	4.355
2018	1.234	0.000	1.234	1.323	1.211	0.711	4.479
2017	1.145	0.000	1.145	1.288	1.183	0.711	4.327
2016	1.104	0.000	1.104	1.254	1.096	0.692	4.146
2015	0.928	0.000	0.928	1.096	0.977	0.569	3.570
2014	0.886	0.000	0.886	1.063	0.968	0.561	3.478
2013	0.838	0.000	0.838	0.983	0.978	0.537	3.336
2012	1.356	0.000	1.356	1.558	1.723	0.969	5.606

WOODBURY HEIGHTS

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	DEBT SERVICE		BOROUGH OF WOODBURY HEIGHTS	GATEWAY REGIONAL SCHOOL	GLOUCESTER COUNTY	
2021	1.138	0.000	1.138	1.230	1.424	0.801	4.593
2020	1.115	0.000	1.115	1.210	1.418	0.774	4.517
2019	1.078	0.000	1.078	1.179	1.375	0.758	4.390
2018	1.070	0.000	1.070	1.158	1.320	0.750	4.298
2017	1.029	0.000	1.029	1.133	1.273	0.752	4.187
2016	0.988	0.000	0.988	1.103	1.234	0.720	4.045
2015	0.944	0.000	0.944	1.065	1.189	0.673	3.871
2014	0.906	0.000	0.906	1.021	1.160	0.659	3.746
2013	0.868	0.000	0.868	0.971	1.146	0.615	3.600
2012	1.144	0.000	1.144	1.232	1.514	0.900	4.790

Source: Gloucester County Board of Taxation - Abstract of Ratables.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

NATIONAL PARK

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
618 Hessian LLC	\$ 1,046,000		0.66%
Taxpayer #1	599,500		0.38%
Taxpayer #2	579,000		0.36%
Martorano Antoinette Irrevocalbe FA	527,700		0.33%
Fulton Bank	493,800		0.31%
Taxpayer #3	421,500		0.27%
VRH NP LLC	380,600		0.24%
PSE&G Power LLC	373,800		0.24%
Taxpayer #4	360,400		0.23%
US Bank NA Trustee C/O Resicap	351,600		0.22%
Total	\$ 5,133,900		3.23%

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Public Service Electric & Gas Company	\$ 1,054,500		0.59%
Taxpayer #1	659,000		0.37%
Taxpayer #2	615,400		0.34%
The Bank of Gloucester County	592,200		0.33%
Taxpayer #3	501,100		0.28%
Taxpayer #4	500,500		0.28%
Taxpayer #5	453,600		0.25%
Taxpayer #6	451,500		0.25%
Taxpayer #7	435,800		0.24%
J & B LP LLC	401,100		0.22%
Total	\$ 5,664,700		3.17%

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

WENONAH

TAXPAYER	2021		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
First Union National Bank	\$ 975,700		0.45%
Taxpayer 1	850,000		0.39%
Taxpayer 2	834,800		0.38%
Taxpayer 3	675,700		0.31%
Taxpayer 4	668,700		0.31%
Taxpayer 5	663,700		0.30%
Taxpayer 6	646,800		0.30%
Taxpayer 7	600,200		0.28%
Taxpayer 8	590,400		0.27%
Taxpayer 9	585,200		0.27%
Total	<u>\$ 7,091,200</u>		<u>3.25%</u>

TAXPAYER	2012		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Taxpayer 1	\$ 1,100,000		0.42%
Taxpayer 2	1,050,000		0.40%
Taxpayer 3	978,600		0.38%
Taxpayer 4	975,000		0.37%
Taxpayer 5	961,400		0.37%
First Union National Bank	900,000		0.35%
Taxpayer 6	842,400		0.32%
Taxpayer 7	820,000		0.31%
Taxpayer 8	785,800		0.30%
Taxpayer 9	752,000		0.29%
Total	<u>\$ 9,165,200</u>		<u>3.51%</u>

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

WESTVILLE

TAXPAYER	2021		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Sunoco Inc C/O KE Andrews & Co	\$ 6,153,700		2.65%
Mega 712 Broadway LLC	2,929,300		1.26%
Pellegrino Enterprises LLC	2,350,000		1.01%
Woodbine Norse LLC	2,150,100		0.93%
Westville Norse LC	2,013,500		0.87%
Arber Properties LLC	2,000,000		0.86%
Raab Family Partnership LP	1,659,500		0.71%
FRZ Commercial Real Estate LLC	1,565,800		0.67%
Heaton, Joseph E Sr Revocable Trust	1,453,000		0.63%
Browns Westville LLC	1,422,000		0.61%
Total	\$ 23,696,900		10.21%

TAXPAYER	2012		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Sunoco Inc	\$ 8,857,900		5.51%
AMC Delancy I-295 Partners LP	3,561,300		2.22%
712 Broadway LLC	3,300,300		2.05%
Journey LLC	2,934,800		1.83%
Pellegrino Enterprises LLC	2,350,000		1.46%
Woodbine Norse LLC	2,150,100		1.34%
EJB LLC	2,085,600		1.30%
Taxpayer #1	2,013,500		1.25%
Arber Properties LLC	2,000,000		1.24%
Brown's Westville LLC	1,796,400		1.12%
Total	\$ 31,049,900		19.31%

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

WOODBURY HEIGHTS

TAXPAYER	2021		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Oak Valley Plaza Inc	\$ 11,658,000		4.66%
Wawa Inc	2,555,500		1.02%
Phalines & Gligor LLC	2,200,000		0.88%
HCD Realty LLC	2,112,200		0.84%
Woodbury Heights Development LLC	1,755,000		0.70%
Balducci Inc	1,710,000		0.68%
Genius One LLC	1,557,600		0.62%
Heights Plaza LLC	1,362,500		0.54%
Jonathon Advisors Limited Partnership	1,341,800		0.54%
American Paper Box LLC	1,322,400		0.53%
Total	\$ 27,575,000		11.03%

TAXPAYER	2012		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
Oak Valley Plaza Inc	\$ 13,433,200		6.80%
Woodbury Heights Development LLC	4,510,000		2.28%
Wawa Inc	3,049,000		1.54%
Balducci Inc.	2,383,500		1.21%
HCD Realty LLC	2,188,800		1.11%
Transcontinental Gas Pipeline Co	2,081,900		1.05%
Heights Plaza LLC	1,934,600		0.98%
Taxpayer #1	1,708,300		0.87%
Taxpayer #2	1,543,200		0.78%
McDonalds Corporation	1,510,500		0.76%
Total	\$ 34,343,000		17.39%

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 11,906,274	\$ 11,906,274	100.00%
2020	11,681,107	11,681,107	100.00%
2019	11,459,497	11,459,497	100.00%
2018	11,232,709	11,232,709	100.00%
2017	10,882,730	10,882,730	100.00%
2016	10,417,760	10,417,760	100.00%
2015	9,955,998	9,955,998	100.00%
2014	9,769,115	9,769,115	100.00%
2013	9,593,733	9,593,733	100.00%
2012	9,471,974	8,597,089	100.00%

NATIONAL PARK

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 2,141,102	2,141,102	100%
2020	2,051,885	2,051,885	100%
2019	2,227,952	2,227,952	100%
2018	2,161,615	2,161,615	100%
2017	2,126,782	2,126,782	100%
2016	2,088,593	2,088,593	100%
2015	2,059,875	2,059,875	100%
2014	2,010,109	2,010,109	100%
2013	1,975,179	1,975,179	100%
2012	1,920,953	1,920,953	100%

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

WENONAH

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 3,119,294	\$ 3,119,294	100.00%
2020	3,037,317	3,037,317	100.00%
2019	2,900,660	2,900,660	100.00%
2018	2,845,937	2,845,937	100.00%
2017	2,788,604	2,788,604	100.00%
2016	2,742,290	2,742,290	100.00%
2015	2,691,806	2,691,806	100.00%
2014	2,632,370	2,632,370	100.00%
2013	2,572,213	2,572,213	100.00%
2012	2,453,812	1,578,927	100.00%

WESTVILLE

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 3,151,329	3,151,329	100%
2020	2,965,090	2,965,090	100%
2019	2,746,225	2,746,225	100%
2018	2,692,378	2,692,378	100%
2017	2,639,586	2,639,586	100%
2016	2,780,610	2,780,610	100%
2015	2,467,322	2,467,322	100%
2014	2,371,975	2,371,975	100%
2013	2,293,650	2,293,650	100%
2012	2,204,640	2,204,640	100%

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

WOODBURY HEIGHTS

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 3,494,549	\$ 3,494,549	100.00%
2020	3,626,815	3,626,815	100.00%
2019	2,762,882	2,762,882	100.00%
2018	2,675,946	2,675,946	100.00%
2017	2,653,644	2,653,644	100.00%
2016	2,567,984	2,567,984	100.00%
2015	2,460,268	2,460,268	100.00%
2014	2,389,204	2,389,204	100.00%
2013	2,343,779	2,343,779	100.00%
2012	2,299,254	1,424,369	100.00%

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

NATIONAL PARK

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 630,096	\$ 9,474	\$ 639,570	N/A	N/A
2020	709,763	18,772	728,535	N/A	247
2019	1,291,450		1,291,450	0.78%	439
2018	1,526,450		1,526,450	0.95%	516
2017	1,756,450		1,756,450	1.13%	593
2016	1,981,450		1,981,450	1.31%	666
2015	2,201,450		2,201,450	1.48%	737
2014	2,426,450		2,426,450	1.71%	810
2013	2,651,450		2,651,450	1.93%	884
2012	2,871,450		2,871,450	2.12%	953

WENONAH

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 872,550	\$ 13,120	\$ 885,669	N/A	N/A
2020	982,872	25,996	1,008,868	N/A	455
2019	885,000		885,000	0.71%	400
2018	1,055,000		1,055,000	0.87%	475
2017	1,220,000		1,220,000	1.04%	547
2016	1,375,000		1,375,000	1.21%	615
2015	1,530,000		1,530,000	1.37%	681
2014	1,680,000		1,680,000	1.58%	747
2013	1,825,000		1,825,000	1.76%	808
2012	1,881,000		1,881,000	1.85%	829

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

WESTVILLE

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 946,223	\$ 14,227	\$ 960,450	N/A	N/A
2020	1,065,860	28,191	1,094,051	N/A	N/A
2019	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2015	189,000	-	189,000	0.09%	45
2014	369,000	-	369,000	0.18%	87
2013	544,000	-	544,000	0.28%	128
2012	714,000	-	714,000	0.37%	168

WOODBURY HEIGHTS

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 1,031,132	15,504	\$ 1,046,636	N/A	N/A
2020	1,161,505	30,720	1,192,225	N/A	401
2019	207,516	0	207,516	0.12%	70
2018	232,516	0	232,516	0.14%	78
2017	257,516	0	257,516	0.16%	86
2016	277,516	0	277,516	0.18%	93
2015	297,516	0	297,516	0.20%	99
2014	317,516	7,561	325,077	0.23%	108
2013	337,516	14,643	352,159	0.25%	117
2012	357,516	21,278	378,794	0.28%	125

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

NATIONAL PARK

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 630,096	\$ -	\$ 630,096	0.40%	N/A
2020	709,763	-	709,763	0.45%	241
2019	1,291,450	-	1,291,450	0.51%	439
2018	1,526,450	-	1,526,450	0.96%	516
2017	1,756,450	-	1,756,450	1.11%	593
2016	1,981,450	-	1,981,450	1.24%	666
2015	2,201,450	-	2,201,450	1.38%	737
2014	2,426,450	-	2,426,450	1.37%	810
2013	2,651,450	-	2,651,450	1.49%	884
2012	2,871,450	-	2,871,450	1.61%	953

WENONAH

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 872,550		\$ 872,550	0.40%	N/A
2020	982,872		982,872	0.45%	443
2019	885,000		885,000	0.40%	400
2018	1,055,000		1,055,000	0.48%	475
2017	1,220,000		1,220,000	0.55%	547
2016	1,375,000		1,375,000	0.61%	615
2015	1,530,000		1,530,000	0.68%	681
2014	1,680,000		1,680,000	0.66%	747
2013	1,825,000		1,825,000	0.71%	808
2012	1,881,000		1,881,000	0.72%	829

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

WESTVILLE

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 946,223	\$ -	\$ 946,223	N/A	N/A
2020	1,065,860	-	1,065,860	N/A	N/A
2019	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2015	189,000	-	189,000	0.07%	45
2014	369,000	-	369,000	0.14%	87
2013	544,000	-	544,000	0.20%	128
2012	714,000	-	714,000	0.44%	168

WOODBURY HEIGHTS

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 1,031,132	\$ -	\$ 1,031,132	0.41%	N/A
2020	1,161,505	-	1,161,505	0.46%	391
2019	207,516	-	207,516	0.08%	70
2018	232,516	-	232,516	0.09%	78
2017	257,516	-	257,516	0.10%	86
2016	277,516	-	277,516	0.11%	93
2015	297,516	-	297,516	0.12%	99
2014	317,516	-	317,516	0.12%	105
2013	337,516	-	337,516	0.13%	112
2012	357,516	-	357,516	0.18%	118

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
National Park			
Debt Repaid With Property Taxes:			
Gateway Regional High School	\$ 3,480,000	18.11%	\$ 630,228
Borough of National Park	6,348,889	100%	6,348,889
Gloucester County	173,810,000	0.60%	1,038,970
			8,018,087
Total Direct & Overlapping Debt			8,018,087
Wenonah			
Debt Repaid With Property Taxes:			
Gateway Regional High School	\$ 3,480,000	25.07%	\$ 872,436
Borough of Wenonah	2,310,001	100%	2,310,001
Gloucester County	173,810,000	0.82%	1,418,194
			4,600,631
Total Direct & Overlapping Debt			4,600,631
Westville			
Debt Repaid With Property Taxes:			
Gateway Regional High School	\$ 3,480,000	27.19%	\$ 946,212
Borough of Westville	8,693,942	100%	8,693,942
Gloucester County	173,810,000	0.87%	1,511,189
			11,151,343
Total Direct & Overlapping Debt			11,151,343
Woodbury Heights			
Debt Repaid With Property Taxes:			
Gateway Regional High School	\$ 3,480,000	29.63%	\$ 1,031,124
Borough of Woodbury Heights	7,313,000	100%	7,313,000
Gloucester County	173,810,000	0.94%	1,630,349
			9,974,473
Total Direct & Overlapping Debt			9,974,473

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation, Borough of National Park, Borough of Wenonah, Borough of Westville and Borough of Woodbury Heights Annual Debt Statements.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 31,127,704	\$ 26,824,169	\$ 26,806,886	\$ 26,718,018	\$ 26,846,744	\$ 27,078,535	\$ 27,546,777	\$ 28,264,500	\$ 29,617,517	\$ 25,678,487
Total Net Debt Applicable to Limit	3,480,000	3,920,000	4,340,000	4,740,000	5,130,000	5,500,000	5,860,000	6,205,000	6,535,000	6,905,000
Legal Debt Margin	\$ 27,647,704	\$ 78,045,643	\$ 22,466,886	\$ 21,978,018	\$ 21,716,744	\$ 21,578,535	\$ 21,686,777	\$ 22,059,500	\$ 23,082,517	\$ 18,773,487
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (3%)	11.18%	14.61%	16.19%	17.74%	19.11%	20.31%	21.27%	21.95%	22.06%	26.89%
Equalized Valuation Basis										
					Combined	National Park	Wenonah	Westville	Woodbury Heights	
	2020	2019	2018		\$ 881,724,651	\$ 160,628,745	\$ 223,085,881	\$ 240,150,445	\$ 257,859,580	
					892,283,116	164,083,532	222,773,188	237,333,778	268,092,618	
					894,081,119	158,377,069	223,117,890	247,977,570	264,608,590	
					\$ 2,668,088,886	\$ 483,089,346	\$ 668,976,959	\$ 725,461,793	\$ 790,560,788	
Average Equalized Valuation of Taxable Property	\$ 889,362,962	\$ 161,029,782	\$ 222,992,320	\$ 241,820,598	\$ 263,520,263					
Debt Limit (3.5% of Average Equalization Value)	\$ 31,127,704									
Net Bonded School Debt	3,480,000									
Legal Debt Margin	\$ 27,647,704									

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

NATIONAL PARK

YEAR	POPULATION (a)	PERSONAL INCOME (b)	GLOUCESTER COUNTY	UNEMPLOYMENT RATE (d)
			PER CAPITA INCOME	
2021	N/A	N/A	N/A	N/A
2020	2,949	N/A	N/A	11.5%
2019	2,945	166,389,555	56,499	4.7%
2018	2,957	160,695,208	54,344	5.7%
2017	2,964	155,598,144	52,496	7.0%
2016	2,973	151,040,292	50,804	7.0%
2015	2,989	148,305,213	49,617	8.0%
2014	2,994	141,810,810	47,365	9.3%
2013	3,001	137,679,878	45,878	12.6%
2012	3,014	135,364,768	44,912	11.8%

WENONAH

YEAR	POPULATION (a)	PERSONAL INCOME (b)	GLOUCESTER COUNTY	UNEMPLOYMENT RATE (d)
			PER CAPITA INCOME	
2021	N/A	N/A	N/A	N/A
2020	2,217	N/A	N/A	6.7%
2019	2,214	125,088,786	56,499	2.4%
2018	2,223	120,806,712	54,344	2.9%
2017	2,229	117,013,584	52,496	3.6%
2016	2,235	113,546,940	50,804	4.6%
2015	2,247	111,489,399	49,617	4.9%
2014	2,250	106,571,250	47,365	3.9%
2013	2,258	103,592,524	45,878	9.2%
2012	2,268	101,860,416	44,912	9.0%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
 - (b) Personal income calculated using population and per capita personal income
 - (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A - Information not available

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

WESTVILLE				
YEAR	POPULATION (a)	PERSONAL INCOME (b)	GLOUCESTER COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	4,154	N/A	N/A	12.9%
2019	4,147	234,301,353	56,499	5.1%
2018	4,165	226,342,760	54,344	5.7%
2017	4,175	219,170,800	52,496	6.0%
2016	4,187	212,716,348	50,804	7.4%
2015	4,210	208,887,570	49,617	7.8%
2014	4,220	199,880,300	47,365	9.4%
2013	4,234	194,247,452	45,878	13.2%
2012	4,254	191,055,648	44,912	10.9%

WOODBURY HEIGHTS				
YEAR	POPULATION (a)	PERSONAL INCOME (b)	GLOUCESTER COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	2,970	N/A	N/A	8.8%
2019	2,965	167,519,535	56,499	3.5%
2018	2,976	161,727,744	54,344	4.2%
2017	2,983	156,595,568	52,496	4.4%
2016	2,991	151,954,764	50,804	5.1%
2015	3,007	149,198,319	49,617	5.3%
2014	3,015	142,805,475	47,365	4.8%
2013	3,016	138,368,048	45,878	5.5%
2012	3,038	136,442,656	44,912	7.3%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
 - (b) Personal income calculated using population and per capita personal income
 - (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A - Information not available

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS**

	<u>2021</u>	<u>2012</u>
	EMPLOYEES	EMPLOYEES
Amazon	4,500	
Rowan University	3,500	1,300
Inspira Health	2,051	
Jefferson Health	2,015	
Underwood Memorial Hospital		1,825
Washington Township School District	1,515	1,648
Shop Rite	1,300	
County of Gloucester	1,200	1,500
Kennedy Health Alliance		1,200
US Food Service	1,014	741
Missa Bay, LLC		950
Monroe Township School District	841	725
Walmart Turnersville	800	
DGI Services		600
Delaware Valley Wholesale Florist		500
	<u>18,736</u>	<u>10,989</u>

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	66.0	66.0	66.0	66.0	66.0	66.0	66.5	67.5	68.0	68.0
Special Education	20.0	19.0	19.0	19.0	18.0	18.0	16.5	16.5	14.0	13.0
Other Special Education	10.0	10.0	10.0	10.0	9.0	9.0	8.0	8.0	9.0	9.0
Support Services:										
Student & instruction related services	19.0	18.0	18.0	17.0	17.0	14.0	12.0	12.0	11.0	11.0
General & Business Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Business & Other Support Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Central Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Information Technology	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.0	3.0
Plant Operations & Maintenance	15.0	15.0	15.0	15.0	14.5	14.0	13.0	14.0	12.0	12.0
Pupil Transportation	34.0	39.0	41.0	41.0	41.0	41.0	40.0	40.0	41.0	41.0
Other Support	17.0	16.0	15.0	14.0	14.0	14.0	14.0	14.0	13.0	14.0
Total	195.0	197.0	198.0	196.0	193.5	190.0	184.0	185.5	181.0	181.0

Source: District Personnel Records

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	HIGH	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	859	\$ 23,424,244	27,269	3.67%	115	1:7	892.1	844.3	-3.13%	94.63%
2020	885	23,279,806	26,305	1.05%	113	1:8	921.0	884.0	1.21%	95.98%
2019	886	23,063,612	26,031	5.42%	113	1:8	910.0	858.0	2.71%	94.29%
2018	894	22,075,881	24,693	9.07%	112	1:8	886.0	807.0	-5.54%	91.08%
2017	932	21,099,502	22,639	6.42%	110	1:8	938.0	863.0	2.51%	92.00%
2016	958	20,379,095	21,273	0.31%	107	1:9	915.0	839.0	-1.19%	91.69%
2015	946	20,060,968	21,206	-0.73%	103	1:9	926.0	847.0	5.59%	91.47%
2014	893	19,075,900	21,362	3.88%	104	1:8	877.0	805.0	-0.23%	91.79%
2013	889	18,281,606	20,564	5.33%	102	1:8	879.0	818.0	-0.11%	93.06%
2012	891	17,394,833	19,523	-2.91%	101	1:8	880.0	828.0	5.77%	94.09%

Sources: District records

Note: Enrollment based on June district count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff taken from the District Staff List
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DISTRICT BUILDINGS										
High School:										
Square Feet	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647	185,647
Capacity (Students)	1040	1040	1040	1040	1040	1040	1040	1040	1040	1040
Enrollment	859	895	886	894	823	958	946	893	889	891
Other										
Maintenance Garage (1996)	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760
Square Feet										
Central Administration (1999)	8266	8266	8266	8266	8266	8266	8266	8266	8266	8266
Square Feet										
Generator Building (1995)	480	480	480	480	480	480	480	480	480	480
Square Feet										
Athletic Storage (1971)	864	864	864	864	864	864	864	864	864	864
Square Feet										
Ticket Booth (1995)	154	154	154	154	154	154	154	154	154	154
Square Feet										
Press Box (1995)	60	60	60	60	60	60	60	60	60	60
Square Feet										
Fieldhouse (1971)	1380	1380	1380	1380	1380	1380	1380	1380	1380	1380
Square Feet										

Number of Schools at June 30, 2021:
 High School = 1
 Other = 7

Source: District records, ASSA

Note: Year of original construction is shown in parentheses.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	TOTAL
2021	388,197
2020	268,878
2019	316,061
2018	235,808
2017	261,326
2016	229,773
2105	182,510
2104	203,942
2103	170,266
2012	147,100

Source: District records

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

I. Property, Inland Marine and Automobile Physical Damages	
A. Limit of Liability	\$175,000,000 Per Occurance
1. GCSSD JIF Self Insurance Retention	\$250,000 Per Occurance
2. Member District Deductible	\$500 Per Occurance
3. Perils Incurred	"All Risk"
B. Property Valuation	
1. Building and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Actual Cash Value
II. Boiler and Machinery	
A. Limit of Liability	\$125,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$1,000
III. Crine	
A. Limit of Liability	\$500,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	\$500
IV. General and Automobile Liability	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
V. Workers' Compensation	
A. Limit of Liability	Statutory
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
VI. Educator's Legal Liability	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
VII. Pollution Legal Liability	
A. Limit of Liability	\$3,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible - Pollution Incident	\$25,000
3. Member District Deductible - Mold Incident	\$100,000-\$250,000
VIII. Cyber Liability (Please see Certificate of Coverage for Covered Districts)	
A. Limit of Liability	\$2,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$50,000-\$100,000
IX. Crisis Protection & Disaster Management Services	
A. Limit of Liability	\$1,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$10,000
Surety Bond Coverage - Selective Insurance Company of America Business Administrator - Donna Contrevo	\$10,000
Surety Bond Coverage - Ohio Casualty Insurance Company Treasurer - Charles Owens	\$225,000

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SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gateway Regional High School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Gateway Regional High School District's basic financial statements, and have issued our report thereon dated March 18, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 that we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gateway Regional High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance 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 as listed in the Schedule of Findings and Questioned Costs as item 2021-001.

The School District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's response was not subject to the auditing procedures applied in the audit of internal control and compliance and, accordingly, we express no opinion on the response.

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
March 18, 2022

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Gateway Regional High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The Gateway Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Gateway Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Gateway Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Gateway Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001, and 2021-002 that we consider to be significant deficiencies.

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
March 18, 2022

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2021 UNEARNED REVENUE	DUE TO GRANTOR								
U.S. Department of Agriculture																						
Passed Through New Jersey Department of Agriculture:																						
Child Nutrition Cluster:																						
Food Distribution Program (Noncash Assistance)	10.555	211NJ304N1099	Unavailable	\$27,242	7/1/20-6/30/21	\$ -	27,242	(26,937)	-	-	-	-	305	-								
Food Distribution Program (Noncash Assistance)	10.555	201NJ304N1099	Unavailable	33,287	7/1/19-6/30/20	1,876	-	(1,876)	-	-	-	-	-	-								
COVID-19 National School Lunch Program	10.555	211NJ304N1099	100-010-3350-026	291,267	7/1/20-6/30/21	(11,952)	269,339	(291,267)	-	-	-	(21,928)	-	-								
COVID-19 National School Lunch Program	10.555	201NJ304N1099	100-010-3350-026	256,667	7/1/19-6/30/20	(11,952)	11,952	(186,929)	-	-	-	(14,123)	-	-								
COVID-19 School Breakfast	10.553	211NJ304N1099	100-010-3350-026	186,929	7/1/20-6/30/21	(7,711)	172,806	(186,929)	-	-	-	(435)	-	-								
COVID-19 School Breakfast	10.553	201NJ304N1099	100-010-3350-026	120,232	7/1/19-6/30/20	(7,711)	7,711	(5,776)	-	-	-	-	-	-								
COVID-19 Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	100-010-3350-026	5,776	7/1/20-6/30/21	(245)	245	-	-	-	-	-	-	-								
COVID-19 Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	100-010-3350-098	245	3/13/20-6/30/20	(245)	-	-	-	-	-	(36,486)	305	-								
Total Child Nutrition Cluster																						
U.S. Department of Agriculture																						
Passed Through New Jersey Department of Agriculture:																						
COVID-19 After School Snack Program	10.558	211NJ304N1099	100-010-3350-026	25,508	7/1/20-6/30/21	(18,032)	19,491	(25,508)	-	-	-	(6,017)	-	-								
Total U.S. Department of Agriculture																						
U.S. Department of Health and Human Services																						
Passed Through New Jersey Department of Human Services:																						
Medical Assistance Program (SEMID) - Cluster	93.778	2105NJMAP	100-054-7540-211	26,482	7/1/20-6/30/21	(1,058)	25,473	(26,482)	-	-	-	(1,009)	-	-								
COVID-19 Medical Assistance Program (SEMID) - Cluster	93.778	2105NJMAP	100-054-7540-211	2,301	7/1/20-6/30/21	(1,058)	2,301	(2,301)	-	-	-	-	-	-								
Medical Assistance Program (SEMID) - Cluster	93.778	2105NJMAP	100-054-7540-211	24,281	7/1/19-6/30/20	(1,058)	1,058	-	-	-	-	(42,503)	305	-								
Total U.S. Department of Health and Human Services																						
U.S. Department of Education																						
Passed Through New Jersey Department of Education:																						
Title I - Part A	84.010	S010A200030	100-034-5064-194	124,617	7/1/20-9/30/21	(134,933)	134,933	(58,660)	-	-	-	(58,660)	-	-								
Title I - Part A	84.010	S010A190030	100-034-5064-194	134,933	7/1/19-6/30/20	(134,933)	-	-	-	-	-	-	-	-								
Title I - Part A	84.010	S010A200030	100-034-5064-194	44,173	7/1/20-9/30/21	(41,555)	42,178	(19,341)	-	739	-	(19,341)	1,362	-								
Title I - SIA	84.010	S010A190030	100-034-5064-194	54,951	7/1/19-6/30/20	(41,555)	42,178	(22,576)	-	-	-	(22,576)	-	-								
Title I - SIA	84.010	S010A200030	100-034-5064-194	24,066	7/1/20-9/30/21	(12,406)	12,406	-	-	-	-	-	-	-								
Title I - Reallocated	84.010	S010A190030	100-034-5064-194	17,663	7/1/19-6/30/20	(188,894)	189,517	(100,577)	-	739	-	(100,577)	-	1,362								
Subtotal																						
Title II-A - Part A	84.367	S367A200029	100-034-5063-290	27,732	7/1/20-9/30/21	(16,792)	22,892	(16,606)	-	(6,100)	-	(16,606)	-	-								
Title II-A - Part A	84.367	S367A190029	100-034-5063-290	31,626	7/1/19-6/30/20	(16,792)	22,892	(16,606)	-	(6,100)	-	(16,606)	-	-								
Subtotal																						
Title IV - Part A	84.424	S42A200031	100-034-5063-348	15,487	7/1/20-9/30/21	(5,245)	4,695	(7,643)	-	-	-	(7,643)	-	-								
Title IV - Part A	84.424	S42A190031	100-034-5063-348	10,732	7/1/19-6/30/20	(5,245)	4,695	(7,643)	-	-	-	(8,193)	-	-								
Subtotal																						
Special Education Cluster:																						
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	275,567	7/1/20-9/30/21	(24,009)	185,887	(227,418)	-	-	-	(41,531)	-	-								
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	100-034-5065-016	256,972	7/1/19-6/30/20	(24,009)	21,565	-	-	-	-	(2,444)	-	-								
Subtotal																						
Total Special Education Cluster																						
COVID-19 CARES Stabilization Fund	84.425D	S425D200027	100-034-5120-513	104,032	3/13/20-9/30/22	(24,009)	207,452	(227,418)	-	-	-	(43,975)	-	-								
COVID-19 CARES Learning Acceleration	84.425D	S425D200027	100-034-5120-513	26,218	3/13/20-9/30/23	(24,009)	45,697	(50,636)	-	-	-	(4,939)	-	-								
COVID-19 CARES Mental Health	84.425D	S425D200027	100-034-5120-513	45,000	3/13/20-9/30/23	(24,009)	21,565	(221)	-	-	-	(221)	-	-								
COVID-19 CARES ESSER	84.425D	S425D200027	100-034-5120-513	408,541	3/13/20-9/30/23	(24,009)	207,452	(42,399)	-	-	-	(42,399)	-	-								
Total CARES Grants																						
Total US Department of Education																						
U.S. Department of Treasury																						
Passed Through New Jersey Department of Education:																						
COVID-19 Digital Divide	21.019	S425D200027	100-034-5120-513	4,002	7/16/20-10/31/20	(234,940)	4,002	(4,002)	-	-	-	-	-	-								
COVID-19 Coronavirus Relief Aid	21.019	S425D200027	100-034-5120-515	64,013	9/23/20-12/30/20	(234,940)	64,013	(64,013)	-	-	-	(64,013)	-	-								
Total Coronavirus Aid Relief																						
Total Special Revenue Fund																						
Total Expenditures of Federal Awards																						
													\$	(254,030)	\$	1,081,227	\$	(1,081,491)	\$	305	\$	1,362

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2021		BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE		
New Jersey Department of Education:													
General Fund:													
Categorical Special Education Aid	495-034-5120-089	\$ 581,865	7/1/20-6/30/21	\$ -	\$ -	\$ 581,865	\$ (581,865)				\$ -	\$ 55,146	\$ 581,865
Equalization Aid	495-034-5120-078	6,335,589	7/1/20-6/30/21			6,335,589	(6,335,589)				600,454	6,335,589	6,335,589
School Aid	495-034-5120-084	192,533	7/1/20-6/30/21			192,533	(192,533)				18,247	192,533	192,533
School Choice Aid	495-034-5120-068	733,840	7/1/20-6/30/21			733,840	(733,840)				69,550	733,840	733,840
Total State Aid Public						7,843,827	(7,843,827)				743,397	7,843,827	7,843,827
Categorical Transportation Aid	495-034-5120-014	502,794	7/1/20-6/30/21			502,794	(502,794)				47,652	502,794	502,794
Nonpublic Transportation Aid	495-034-5120-014	14,771	7/1/20-6/30/21	(3,770)		-	(14,771)			(14,771)	-	14,771	14,771
Total Transportation Aid						506,564	(517,565)			(14,771)	47,652	517,565	517,565
Extraordinary Aid	495-034-5120-044	166,383	7/1/20-6/30/21			-	(166,383)			(166,383)		-	166,383
Reimbursed TPAF Social Security Contributions	495-034-5120-044	64,913	7/1/19-6/30/20	(64,913)		64,913	-			-		-	64,913
Reimbursed TPAF Social Security Contributions	495-034-5094-003	670,063	7/1/20-6/30/21			637,978	(670,063)			(32,085)		-	670,063
Noncash Assistance:						38,702	-			-		-	38,702
On Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,237	7/1/20-6/30/21			1,237	(1,237)			-		-	1,237
On Behalf TPAF Pension Contributions (Non-Budgeted)	495-034-5095-002	2,455,516	7/1/20-6/30/21			2,455,516	(2,455,516)			-		-	2,455,516
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	495-034-5095-001	769,521	7/1/20-6/30/21			769,521	(769,521)			-		-	769,521
Total General Fund						12,318,258	(12,424,112)			(213,239)	791,049	12,424,112	12,424,112
Special Revenue Fund:													
Non-Public Aid:													
Auxiliary Services Aid Cluster (Ch. 192):													
Compensatory Education	100-034-5120-067	29,611	7/1/20-6/30/21			29,611	(16,199)				13,412	16,199	16,199
Transportation	100-034-5120-067	27,381	7/1/19-6/30/20	(2,758)	2,677	2,758	-	(2,677)				-	2,758
Transportation	100-034-5120-067	3,511	7/1/20-6/30/21	(228)	694	3,511	(1,188)	(694)			2,323	1,188	1,188
Total Auxiliary Services Aid Cluster						36,108	(17,387)	(3,371)		15,735			17,387
Handicapped Services Cluster (Ch. 193):													
Supplemental Instruction	100-034-5120-066	12,952	7/1/20-6/30/21			12,952	(8,176)				4,776	8,176	8,176
Supplemental Instruction	100-034-5120-066	12,142	7/1/19-6/30/20	(1,217)	2,833	1,217	-	(2,833)				-	1,217
Speech	100-034-5120-066	5,468	7/1/20-6/30/21			5,468	(2,187)				3,281	2,187	2,187
Speech	100-034-5120-066	9,114	7/1/19-6/30/20	(913)	2,734	913	-	(2,734)				-	913
Examination & Classification	100-034-5120-066	17,467	7/1/20-6/30/21			17,467	(16,721)				746	16,721	16,721
Examination & Classification	100-034-5120-066	12,267	7/1/19-6/30/20	(1,566)	6,871	1,566	-	(6,871)				-	1,566
Total Handicapped Services Cluster						39,583	(27,084)	(12,438)		8,803			27,084
Textbooks	100-034-5120-064	5,620	7/1/20-6/30/21			5,620	(5,619)				1	5,619	5,619
Nursing	100-034-5120-070	7,713	7/1/19-6/30/20	66	66	9,384	(9,384)	(66)				-	9,384
Total Other Non-Public Aid						15,004	(15,003)	(66)			1	15,003	15,003
Total Non-Public Aid						90,695	(89,474)	(15,875)		24,539			59,474
Secondary School Computer Science Education Initiative	100-034-5063-349	90,151	1/15/19-6/30/20			3,900	-	(15,875)			24,539	-	59,474
Total Special Revenue Fund						94,595	(89,474)	(15,875)		24,539			59,474
Capital Projects Fund													
ROD Grant	SP-1715-050-14-10001	423,036	N/A			-	(423,036)			(423,036)		-	-
Total Capital Projects Fund						-	(423,036)			(423,036)		-	-
Enterprise Fund:													
National School Lunch Program (State Share)	100-010-3350-023	16,591	7/1/20-6/30/21			13,373	(16,591)			(3,218)		-	16,591
National School Lunch Program (State Share)	100-010-3350-023	5,465	7/1/19-6/30/20	(193)		193	-			-		-	5,465
Total Enterprise Fund						13,566	(16,591)			(3,218)		-	16,591
Total State Financial Assistance						12,426,419	(12,500,177)			(639,493)	791,049	12,500,177	12,500,177

Less: Grants Not Subject to Major Program Determination:
 On Behalf Post Retirement Long Term Disability Insurance Contributions 1,237
 On Behalf TPAF Pension Contributions (Non-Budgeted) 2,455,516
 On Behalf TPAF Post-Retirement Medical (Non-Budgeted) 769,521
Total State Financial Assistance subject to Calculation for Major Program Determination \$ (9,273,903)

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

**GATEWAY REGIONAL HIGH 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 present the activity of all federal awards and state financial assistance programs of the Gateway Regional High School District. The School District is defined in Note 1 of the 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 New Jersey OMB's Circular 15-08, *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 is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule 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* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued):

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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15,506) for the general fund and (\$43,303) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 28,783	\$ 12,408,606	\$ 12,437,389
Special Revenue Fund	471,112	59,474	530,586
Food Service Fund	538,293	16,591	554,884
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,038,188</u>	<u>\$ 12,484,671</u>	<u>\$ 13,522,859</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Gateway Regional School District had no loan balances outstanding at June 30, 2021.

NOTE 6: On-Behalf Programs Not Subject To State Single Audit Major Program Determination

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

**GATEWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? X yes _____ no

Federal Awards

Internal control over major programs:

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

2) 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 2 CFR 200 section .516(a) of 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>
_____	_____	Child Nutrition Cluster:
10.555	_____	<u>COVID 19 - National School Lunch Program</u>
10.553	_____	<u>COVID 19 - School Breakfast Program</u>
10.555	_____	<u>COVID 19 - Healthy Hunger-Free Kids Act</u>
10.555	_____	<u>Food Distribution Program</u>
_____	_____	_____

Dollar threshold used to determine Type A programs \$750,000

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

**GATEWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? X yes no

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 OMB's Circular 15-08? X yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid - Public: Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-068	School Choice Aid

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2021-001

Criteria or Specific Requirement – NJSA 18A:17-9(a) requires the Board Secretary report to the board, at each regular meeting, the amount of total appropriations and the cash receipts for each account, the amount for which warrants have been drawn against each account, the amounts of orders or contractual obligations incurred and chargeable against each account year to date and since the date of the last report, the cash and appropriation balances for each account and fund, and the reconciled bank account balances in the manner and form prescribed by the commissioner.

Condition – The July through December monthly reports were approved in March of 2021 and the January through June monthly reports were approved in August of 2021.

Context – The monthly reports were not submitted at each regular meeting.

Cause - The Business Administrator did not have an adequate internal control structure and procedures for financial reporting.

Effect or Potential Effect – By not submitting monthly reports, the School District risks the ability to review and assess the School District’s financial position.

Recommendation: The Board Secretary submit to the board at each monthly meeting the Board Secretary’s Report and Treasurer’s Report.

Management Response: The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding 2021-002

Criteria or Specific Requirement – It is essential that there are proper internal controls surrounding the removal of inactive employees from District benefits.

Condition – Two inactive employees were found to be still covered under district health insurance numerous months after becoming inactive.

Context – Employees are not being removed timely from health benefits.

Cause – The Business Administrator did not have an adequate internal control procedures in place to address the timely removal of inactive employees.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

Effect or Potential Effect – By not having the proper procedures in place the School District overpaid \$30,260.

Recommendation: The Business Administrator implement controls to ensure timely removal of inactive employees from health insurance.

Management Response: The responsible officials agree with the finding and will address the matter as part of their corrective action.

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

State Aid Public Cluster – Equalization Aid 495-034-5120-078, Security Aid 495-034-5120-084, Special Education 495-034-5120-089, School Choice 495-034-5120-068

Special Tests and Provisions

Finding 2021-001 – See Financial Statement Finding 2021-001.

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.