

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2021

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



**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

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GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74
Great Meadows, New Jersey 07838

MICHAEL MAI
Superintendent

ABIGAIL POSTMA
Business Administrator
Board Secretary

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

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

February 16, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Great Meadows Regional School District for the fiscal year ended June 30, 2021, is hereby submitted. Great Meadows Regional School District is a K-8 regional district. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Great Meadows Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

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

Average Daily Enrollment

Fiscal Year	Student Enrollment				Percent Change
	Central	Liberty	Middle	Total District	
2020-21	283.0	-	329.8	612.8	-3.02
2019-20	286.6	-	345.2	631.8	-3.02
2018-19	210.0	199.7	241.8	651.5	-5.89
2017-18	220.3	207.2	264.9	692.3	-3.01
2016-17	219.6	219.2	275.1	713.8	0.04
2015-16	198.0	233.2	279.5	710.7	-7
2014-15	203.0	259.0	298.3	760.3	-6
2013-14	224.6	285.3	293.0	803.0	-5.09
2012-13	232.7	291.7	321.7	846.1	-2.82
2011-12	249.4	311.9	309.4	870.7	-7.75
2010-11	277.0 ^a	297.0 ^b	330.0	888.0	-4.5

a. Changed from K-5 to K-2

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

2) ECONOMIC CONDITION AND OUTLOOK:

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

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

3) MAJOR INITIATIVES:

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

Goals for the future include:

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

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in the Notes to the Financial Statements, Note 1.

7) DEBT ADMINISTRATION:

At June 30, 2021, the District's outstanding debt issue is \$2,045,000.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,



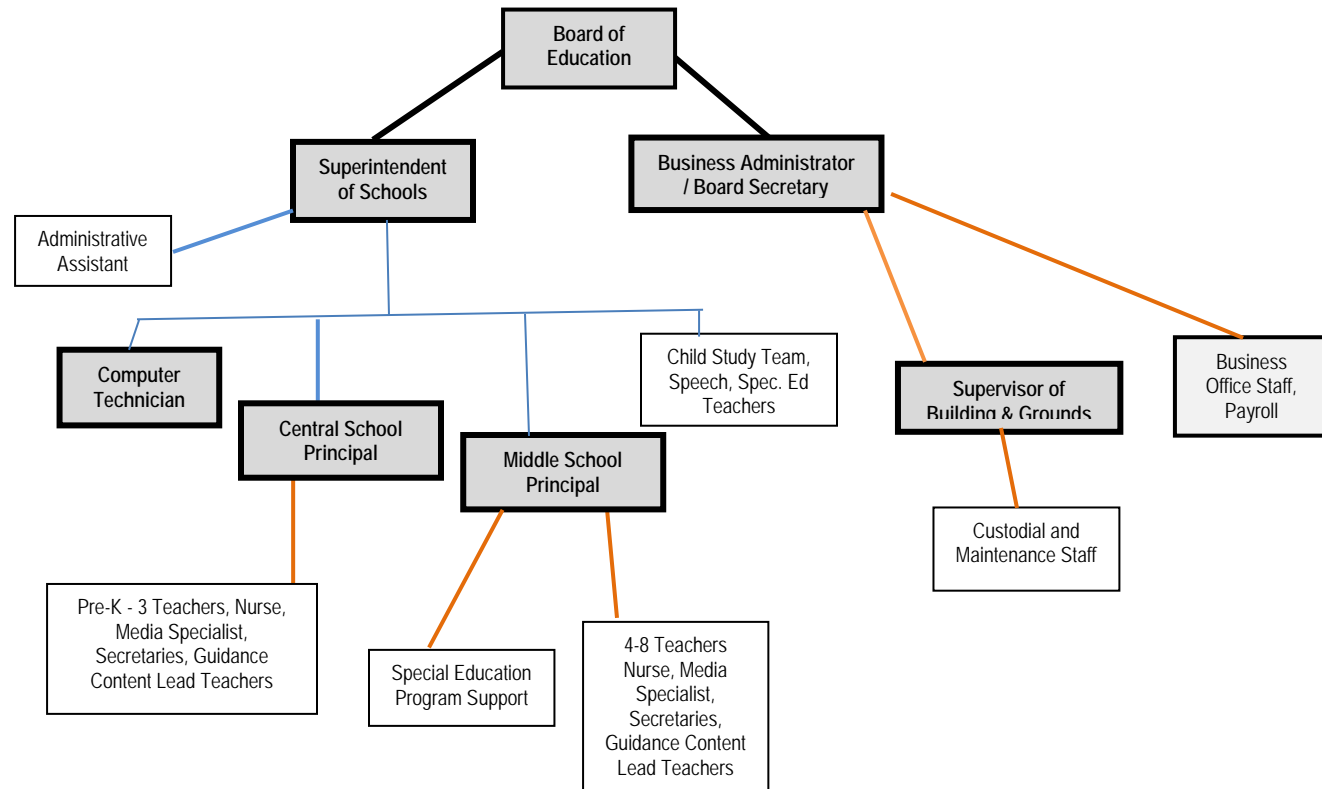
Michael Mai
Superintendent



Abigail J. Postma
Business Administrator/Board Secretary

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

Organizational Chart



GREAT MEADOWS REGIONAL SCHOOL DISTRICT
273 US-46
Great Meadows, NJ 07838
June 30, 2021

Roster of Officials

Members of the Board of Education	Title	Term Expires
Brendon Gross	President	2023
Courtney Wenth	Vice President	2021
Douglas Smith		2021
William Vonder Haar		2021
Daria Hill		2022
Shannon Schaaf		2022
Giles Stuber		2022
Heather Wulf		2023

Other Officials	Title
Michael Mai	Superintendent
Eric Burnside	Board Secretary/School Business Administrator
Paula Hatch	Treasurer
Ari Schneider, Esq	Attorney

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

273 US-46

Great Meadows, NJ 07838

June 30, June 30, 2021

Consultants and Advisors

ATTORNEY

Busch Law Group LLC

450 Main Street

Metuchen, NJ 08840

ARCHITECT

Parette Somjen Architects

439 Route 46 East

Rockaway, NJ 07866

AUDIT FIRM

BKC, CPAs, PC

39 State Route 12, Ste 2

Flemington, NJ 08822

FISCAL AGENT

Depository Trust

55 Water Street, 50th Floor

New York, NY 10041

First Hope Bank

Route 519

Hope, New Jersey 07844

OFFICIAL DEPOSITORIES

First Hope Bank

Route 519

Hope, New Jersey 07844



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the fiscal year ended June 30, 2021, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Great Meadows Regional School District, as of June 30, 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.

Change in Accounting Principle

The District adopted new accounting guidance as promulgated by GASB Statement No. 84, *Fiduciary Activities*. 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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introduction section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



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

February 16, 2022
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter and the District's financial statements.

Financial Highlights

- In total, net position increased \$2,378,766, which represents a 46.58% increase from 2020.
- General revenues accounted for \$26,864,683 in revenue, or 97.74% of all revenues. Program specific revenues in the form of charges for services and operating grants were \$621,648 or 2.26% of total revenues of \$27,486,331.
- Total assets of governmental activities increased by \$1,770,497 as cash and cash equivalents increased by \$1,707,706, receivables decreased by \$34,734, and capital assets increased by \$97,525.
- The School District had \$25,107,565 in expenses; only \$621,648 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$26,864,683 were adequate to provide for these programs.
- Among major funds, the general fund had \$22,103,651 in revenues and \$20,665,985 in expenditures. The general fund balance increased by \$1,437,666 from fiscal year 2020.

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

Using This Annual Comprehensive Financial Report (ACFR)

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Governmental Funds

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic service it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

The School District as a Whole

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Table 1 provides a summary of the District's net position at June 30, 2021 with comparisons to June 30, 2020.

Table 1				
Net Position				
	06/30/21	06/30/20	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 4,106,637	\$ 2,427,412	\$ 1,679,225	69.18%
Capital assets	10,769,937	10,672,412	97,525	0.91%
Total assets	<u>14,876,574</u>	<u>13,099,824</u>	<u>1,776,750</u>	13.56%
Deferred outflows of resources				
Deferred amount on pension activity	<u>565,362</u>	<u>702,666</u>	<u>(137,304)</u>	-19.54%
Liabilities				
Long-term liabilities	6,530,162	7,443,919	(913,757)	-12.28%
Other liabilities	<u>304,405</u>	<u>89,863</u>	<u>214,542</u>	238.74%
Total liabilities	<u>6,834,567</u>	<u>7,533,782</u>	<u>(699,215)</u>	-9.28%
Deferred outflows of resources				
Deferred amount on pension activity	<u>1,121,769</u>	<u>1,161,874</u>	<u>(40,105)</u>	-3.45%
Net position				
Net investment in capital assets	7,058,854	6,326,853	732,001	11.57%
Restricted	3,092,912	2,076,467	1,016,445	48.95%
Unrestricted	<u>(2,666,166)</u>	<u>(3,296,486)</u>	<u>630,320</u>	19.12%
Total net position	<u>\$ 7,485,600</u>	<u>\$ 5,106,834</u>	<u>\$ 2,378,766</u>	46.58%

The net position of the District's activities increased by 46.58%. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased by \$630,320 or 19.12%. Restricted net position, those restricted mainly for capital projects increased by \$1,016,445 or 48.95%. The net investment in capital assets increased by \$732,001 or 11.57%.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
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Unaudited

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2021 with comparisons to fiscal year June 30, 2020.

Table 2
Changes in Net Position

	06/30/21	06/30/20	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 127,728	\$ 294,788	\$ (167,060)	-56.67%
Operating grants	493,920	358,492	135,428	37.78%
General revenues				
Property taxes	15,346,964	14,910,706	436,258	2.93%
Unrestricted grants	11,484,998	10,196,628	1,288,370	12.64%
Other	32,721	50,341	(17,620)	-35.00%
Total revenues	<u>27,486,331</u>	<u>25,810,955</u>	<u>1,675,376</u>	6.49%
Program expenses				
Instruction				
Regular	5,970,776	7,283,064	(1,312,288)	-18.02%
Special	3,605,520	3,359,475	246,045	7.32%
Other	624,559	737,691	(113,132)	-15.34%
Support services				
Tuition	5,689,668	5,762,878	(73,210)	-1.27%
Student & instructional staff	3,053,931	2,465,064	588,867	23.89%
General & business administration	1,697,040	670,724	1,026,316	153.02%
School administration	645,414	898,315	(252,901)	-28.15%
Maintenance	2,396,109	1,308,010	1,088,099	83.19%
Transportation	1,090,336	1,411,263	(320,927)	-22.74%
Charter schools	151,690	151,041	649	0.43%
Food service	95,300	140,687	(45,387)	-32.26%
Interest on long-term debt	87,222	129,591	(42,369)	-32.69%
Total expenses	<u>25,107,565</u>	<u>24,317,803</u>	<u>789,762</u>	3.25%
Change in net position	<u>\$ 2,378,766</u>	<u>\$ 1,493,152</u>	<u>\$ 885,614</u>	59.31%

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 57.13% of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2021. The District's total governmental revenues were \$27,376,859 for the fiscal year ended June 30, 2021.

The total cost of all program expenses and services for governmental activities was \$25,012,265.

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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services in fiscal year ending June 30, 2021 and fiscal year ending June 30, 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/21	06/30/20	06/30/21	06/30/20
Instruction	\$ 10,200,855	\$ 11,380,230	\$ 9,996,376	\$ 11,067,922
Support services				
Tuition	5,689,668	5,762,878	5,524,464	5,580,738
Student & instructional staff	3,053,931	2,465,064	2,911,610	2,442,168
General & business administration	1,697,040	670,724	1,697,040	670,724
School administration	645,414	898,315	645,414	898,315
Plant operations & maintenance	2,396,109	1,308,010	2,396,109	1,308,010
Pupil transportation	1,090,336	1,411,263	1,090,156	1,410,678
Charter schools	151,690	151,041	151,690	151,041
Food service	95,300	140,687	(14,164)	5,336
Interest on long-term debt	87,222	129,591	87,222	129,591
Total expenses	<u>\$ 25,107,565</u>	<u>\$ 24,317,803</u>	<u>\$ 24,485,917</u>	<u>\$ 23,664,523</u>

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

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

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

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

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

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

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

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

The School District's Funds

All governmental funds, which are comprised of the general fund, special revenue fund, capital projects fund, and debt service fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,096,668, and expenditures were \$21,665,615. The net increase in fund balance was most significant in the general fund.

General Fund Budgeting Highlights

The Great Meadows Regional School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

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

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

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

During the course of the 2021 fiscal year, the District amended its general fund budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the general fund, budget basis revenues were \$19,658,060, which was \$231,750 above the original budget estimates of \$19,426,310. General fund revenues and other financing sources were more than expenditures and other financing uses by \$1,353,928.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
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Capital Assets

At the end of the fiscal year 2021, the School District had \$10,769,117 invested in land, buildings, furniture and equipment, vehicles and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2021 with comparisons to June 30, 2020.

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

	06/30/21	06/30/20	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653	\$ -	0.00%
Construction in progress	1,126,675	602,204	524,471	87.09%
Land improvements	229,483	111,167	118,316	106.43%
Buildings & improvements	9,144,430	9,665,210	(520,780)	-5.39%
Furniture & equipment	109,696	134,178	(24,482)	-18.25%
Total	<u>\$ 10,769,937</u>	<u>\$ 10,672,412</u>	<u>\$ 97,525</u>	0.91%

Overall capital assets decreased \$148,117 from fiscal year 2020 to fiscal year 2021. This is attributable to an increase in depreciation expense.

Long-term Liabilities and Debt

At year-end, the District had total long-term liabilities of \$6,530,162 outstanding as compared to \$7,443,919 in the previous year, a decrease of 12.28 percent as shown in Table 5.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2021 with comparisons to June 30, 2020.

Table 5
Long-term Liabilities at Year-end

	06/30/21	06/30/20	Variance	
			Dollars	%
2008 Refunding Bonds	\$ 2,045,000	\$ 2,550,000	\$ (505,000)	-19.80%
Premium on Bonds	137,380	176,631	(39,251)	-22.22%
Compensated Absences	158,589	161,566	(2,977)	-1.84%
PERS Net Pension Liability	2,523,110	2,760,163	(237,053)	-8.59%
Capital Leases Payable	1,666,083	1,795,559	(129,476)	-7.21%
Total	<u>\$ 6,530,162</u>	<u>\$ 7,443,919</u>	<u>\$ (913,757)</u>	-12.28%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2021
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The general obligation bonded debt of the District is limited by State law to 3 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2021 is \$26,516,605. General obligation debt authorized and outstanding at June 30, 2021 is \$2,045,000 resulting in a legal debt margin of \$24,471,605.

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

Factors Bearing on the District's Future

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Abigail Postma, School Business Administrator/Board Secretary at Great Meadows Regional School District, P.O. Box 74, #274 US 46 GMR Middle School, Great Meadows, NJ 07838.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 802,468	\$ 9,773	\$ 812,241
Receivables, net	384,805	58,485	443,290
Inventory	-	8,194	8,194
Restricted assets			
Capital reserve account - cash	1,950,193	-	1,950,193
Maintenance reserve account - cash	833,615	-	833,615
Emergency reserve account - cash	30,000	-	30,000
Student activities - cash	29,104	-	29,104
Capital assets, net			
Land and construction in progress	1,286,328	-	1,286,328
Other capital assets, net of depreciation	9,483,609	-	9,483,609
Total assets	<u>14,800,122</u>	<u>76,452</u>	<u>14,876,574</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>565,362</u>	<u>-</u>	<u>565,362</u>
Liabilities			
Accounts payable	155,983	27,998	183,981
Accrued interest	48,428	-	48,428
Payroll deductions and withholding payable	16,641	-	16,641
Unearned revenue	2,022	8,899	10,921
Due from other funds, net	44,434	-	44,434
Long-term liabilities			
Due within one year	682,340	-	682,340
Due beyond one year	5,847,822	-	5,847,822
Total liabilities	<u>6,797,670</u>	<u>36,897</u>	<u>6,834,567</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>1,121,769</u>	<u>-</u>	<u>1,121,769</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 7,058,854	\$ -	\$ 7,058,854
Restricted for			
Capital reserve	1,950,193	-	1,950,193
Emergency reserve	30,000	-	30,000
Maintenance reserve	833,615	-	833,615
Student activities	29,104	-	29,104
Tuition reserve	250,000	-	250,000
Unrestricted	(2,705,721)	39,555	(2,666,166)
Total net position	<u>\$ 7,446,045</u>	<u>\$ 39,555</u>	<u>\$ 7,485,600</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Activities
June 30, 2021

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,250,794	\$ 2,719,982	\$ 16,143	\$ 27,138	\$ -	\$ (5,927,495)	\$ -	\$ (5,927,495)
Special education	1,452,120	2,153,400	90,145	16,281	-	(3,499,094)	-	(3,499,094)
Other special instruction	287,551	281,583	-	54,772	-	(514,362)	-	(514,362)
Other instruction	42,732	12,693	-	-	-	(55,425)	-	(55,425)
Support services								
Tuition	5,689,668	-	-	165,204	-	(5,524,464)	-	(5,524,464)
Students and instruction related services	1,429,120	1,624,811	18,869	123,452	-	(2,911,610)	-	(2,911,610)
General and business administration services	574,930	1,122,110	-	-	-	(1,697,040)	-	(1,697,040)
School administration services	327,827	317,587	-	-	-	(645,414)	-	(645,414)
Plant operations and maintenance	1,012,089	1,384,020	-	-	-	(2,396,109)	-	(2,396,109)
Pupil transportation	1,090,336	-	180	-	-	(1,090,156)	-	(1,090,156)
Transfer to charter schools	151,690	-	-	-	-	(151,690)	-	(151,690)
Interest on long-term debt	87,222	-	-	-	-	(87,222)	-	(87,222)
Total governmental activities	<u>15,396,079</u>	<u>9,616,186</u>	<u>125,337</u>	<u>386,847</u>	<u>-</u>	<u>(24,500,081)</u>	<u>-</u>	<u>(24,500,081)</u>
Business-type activities								
Food service	95,300	-	2,391	107,073	-	-	14,164	14,164
Total business-type activities	<u>95,300</u>	<u>-</u>	<u>2,391</u>	<u>107,073</u>	<u>-</u>	<u>-</u>	<u>14,164</u>	<u>14,164</u>
Total primary government	<u>\$ 15,491,379</u>	<u>\$ 9,616,186</u>	<u>\$ 127,728</u>	<u>\$ 493,920</u>	<u>\$ -</u>	<u>(24,500,081)</u>	<u>14,164</u>	<u>(24,485,917)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						14,895,043	-	14,895,043
Property taxes levied for debt service						451,921	-	451,921
Federal and state aid not restricted						11,484,998	-	11,484,998
Investment earnings						12,341	8	12,349
Miscellaneous income						20,372	-	20,372
Total general revenues and special items						<u>26,864,675</u>	<u>8</u>	<u>26,864,683</u>
Change in net position						2,364,594	14,172	2,378,766
Net position - beginning (as restated)						5,081,451	25,383	5,106,834
Net position - ending						<u>\$ 7,446,045</u>	<u>\$ 39,555</u>	<u>\$ 7,485,600</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 802,468	\$ -	\$ -	\$ -	\$ 802,468
Due from other funds	65,354	-	-	-	65,354
Receivables from other governments					
Federal	-	70,977	-	-	70,977
State	273,215	-	-	-	273,215
Local	26,676	273	-	-	26,949
Other accounts receivable	13,664	-	-	-	13,664
Restricted cash and equivalents	2,813,808	29,104	-	-	2,842,912
Total assets	\$ 3,995,185	\$ 100,354	\$ -	\$ -	\$ 4,095,539
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 44,434	\$ 65,354	\$ -	\$ -	\$ 109,788
Accounts payable	152,109	3,874	-	-	155,983
Payroll deductions and withholdings payable	16,641	-	-	-	16,641
Unearned revenue	-	2,022	-	-	2,022
Total liabilities	213,184	71,250	-	-	284,434

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2021

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus - current year	\$ 79,376	\$ -	\$ -	\$ -	\$ 79,376
Capital reserve	1,950,193	-	-	-	1,950,193
Emergency reserve	30,000	-	-	-	30,000
Maintenance reserve	833,615	-	-	-	833,615
Student activities	-	29,104	-	-	29,104
Tuition reserve					
Year 2020 - 2021	250,000	-	-	-	250,000
Committed fund balance					
Year-end encumbrances	39,515	-	-	-	39,515
Assigned					
Designated for subsequent year's expenditures	90,023	-	-	-	90,023
Unassigned fund balance	509,279	-	-	-	509,279
Total fund balances	<u>3,782,001</u>	<u>29,104</u>	<u>-</u>	<u>-</u>	<u>3,811,105</u>
Total liabilities and fund balances	<u>\$ 3,995,185</u>	<u>\$ 100,354</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$22,346,275 and the accumulated depreciation is \$11,576,338.	10,769,937
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(556,407)
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.	(6,530,162)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(48,428)</u>
Total net position of governmental activities	<u>\$ 7,446,045</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 14,895,043	\$ -	\$ -	\$ 451,921	\$ 15,346,964
Tuition - individuals	16,143	-	-	-	16,143
Tuition - other LEA's	90,145	-	-	-	90,145
Transportation- other LEA's	180	-	-	-	180
Interest on investments	12,341	-	-	-	12,341
Miscellaneous	20,372	26,308	-	-	46,680
Total local sources	15,034,224	26,308	-	451,921	15,512,453
State sources	7,049,728	-	-	155,079	7,204,807
Federal sources	19,699	359,709	-	-	379,408
Total revenues	22,103,651	386,017	-	607,000	23,096,668
Expenditures					
Current					
Instructional					
Regular instruction	3,245,851	4,943	-	-	3,250,794
Special education instruction	1,435,839	16,281	-	-	1,452,120
Other special instruction	232,779	54,772	-	-	287,551
Other instruction	42,732	-	-	-	42,732
Support service and undistributed costs					
Tuition	5,524,464	165,204	-	-	5,689,668
Student and instruction related services	1,283,685	145,435	-	-	1,429,120
General and business administrative services	574,930	-	-	-	574,930
School administrative services	327,827	-	-	-	327,827
Plant operations and maintenance	1,183,235	-	-	-	1,183,235
Pupil transportation	1,090,336	-	-	-	1,090,336
Unallocated benefits	4,915,315	3,499	-	-	4,918,814

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 655,041	\$ 2,496	\$ -	\$ -	\$ 657,537
Transfer to charter schools	151,690	-	-	-	151,690
Debt service					
Principal	-	-	-	505,000	505,000
Interest and other charges	2,261	-	-	102,000	104,261
Total expenditures	<u>20,665,985</u>	<u>392,630</u>	<u>-</u>	<u>607,000</u>	<u>21,665,615</u>
Excess (deficiency) of revenues over (under) expenditures	1,437,666	(6,613)	-	-	1,431,053
Fund balances, July 1 (as restated)	<u>2,344,335</u>	<u>35,717</u>	<u>-</u>	<u>-</u>	<u>2,380,052</u>
Fund balances, June 30	<u><u>\$ 3,782,001</u></u>	<u><u>\$ 29,104</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,811,105</u></u>

See accompanying notes to financial statements.

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

Total net changes in fund balances - governmental fund (from B-2) \$ 1,431,053

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 657,537	
Depreciation expense	(560,012)	
		97,525

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Bond principal payments	505,000	
Capital lease payments	129,476	
		634,476

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium	39,251
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Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

139,854

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.

19,458

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

2,977

Change in net position of governmental activities	\$ 2,364,594
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See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2021

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 9,773
Receivables from other governments	
State	932
Federal	13,119
Due from other funds	44,434
Inventory	8,194
Total current assets	<u>76,452</u>
Noncurrent assets	
Capital assets	286,561
Less: accumulated depreciation	286,561
Total noncurrent assets	<u>-</u>
Total assets	<u>76,452</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	4,246
Unearned revenues - prepaid sales	4,653
Accounts payable	27,998
Total liabilities	<u>36,897</u>
Net position	
Unrestricted	<u>39,555</u>
Total net position	<u><u>\$ 39,555</u></u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Food Service Fund</u>
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 2,391
Total operating revenues	<u>2,391</u>
Operating expenses	
Cost of sales - reimbursable programs	39,671
Commodity food costs	6,569
Covid related costs	2,554
Salaries	24,939
Support services - employee benefits	3,467
Purchased professional/technical services	1,743
Other purchased services	
Insurance	3,561
Management fee	11,730
Supplies and materials	36
Miscellaneous expenditures	1,030
Total operating expenses	<u>95,300</u>
Operating income (loss)	<u>(92,909)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	5,663
Federal sources	
National school lunch program	
Cash Assistance	94,841
Non cash assistance (commodities)	6,569
Miscellaneous	8
Total non-operating revenues (expenses)	<u>107,081</u>
Change in net position	14,172
Net position, beginning	<u>25,383</u>
Net position, ending	<u>\$ 39,555</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ (27)
Payments to Food Service Management Company	(58,308)
Net cash provided by (used for) operating activities	<u>(58,335)</u>
Cash flows from noncapital related financing activities	
State sources	4,787
Federal sources	85,385
Miscellaneous	8
Net interfund transactions	(44,434)
Net cash provided by (used for) noncapital financing activities	<u>45,746</u>
Net increase (decrease) in cash and cash equivalents	(12,589)
Cash and cash equivalents, beginning	<u>22,362</u>
Cash and cash equivalents, ending	<u><u>\$ 9,773</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (92,909)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Federal food donation program	6,569
Increase (decrease) in accounts payable	27,998
(Increase) decrease in inventory	207
Increase (decrease) in unearned revenues	(200)
Net cash provided by (used for) operating activities	<u><u>\$ (58,335)</u></u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Warren, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending/receiving relationship with Hackettstown school district for Grades 9-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2021 of 616 students.

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

During the year ended June 30, 2021, the District implemented the provisions detailed in GASB Statement No. 84, *Fiduciary Activities*. Based on a review of the financial records, the District has no funds that meet the criteria of a fiduciary fund.

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

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

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

The District reports the following major governmental funds:

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary fund types (continued)

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

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

Equipment	12 Years
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Fiduciary fund types

As stated in Note 1 (B), the district does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No 84, *Fiduciary Activities*.

D. Budgets/budgetary control

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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 GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2020-2021 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

J. Capital assets

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

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

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

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

K. Compensated absences

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

O. Fund balances - governmental funds

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks. As of June 30, 2021, the District had no investments.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

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

As of June 30, 2021, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	3,579,954
Total bank balances	<u>\$ 3,829,954</u>

Deposits at June 30, 2021 appear in the financial statements as summarized below:

Cash		<u>\$ 3,655,153</u>
	<u>Ref.</u>	
Unrestricted cash		
Government funds, Balance Sheet	B-1	\$ 802,468
Enterprise funds, Statement of Net Position	B-4	9,773
Restricted cash		
Governmental funds, Balance Sheet	B-1	2,842,912
Total cash		<u>\$ 3,655,153</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 159,653	\$ -	\$ -	\$ 159,653
Construction in progress	602,204	524,471	-	1,126,675
Total	761,857	524,471	-	1,286,328
Capital assets, being depreciated				
Land improvements	861,487	130,570	-	992,057
Building and improvements	19,577,877	2,496	-	19,580,373
Furniture and equipment	487,517	-	-	487,517
Total	20,926,881	133,066	-	21,059,947
Accumulated depreciation				
Land improvements	750,320	12,254	-	762,574
Building and improvements	9,912,667	523,276	-	10,435,943
Furniture and equipment	353,339	24,482	-	377,821
Total	11,016,326	560,012	-	11,576,338
Total capital assets, being depreciated, net	9,910,555	(426,946)	-	9,483,609
Governmental activities capital assets, net	\$ 10,672,412	\$ 97,525	\$ -	\$ 10,769,937
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture and equipment	\$ 286,561	\$ -	\$ -	\$ 286,561
Less: accumulated depreciation	286,561	-	-	286,561
Business type activities capital assets, net	\$ -	\$ -	\$ -	\$ -

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction	
Regular	\$ 253,456
Special education	106,380
Other special instruction	21,066
Co-curricular activities	3,130
Support services	
Student and instruction	104,695
General and business administration	42,119
School administration	24,016
Plant maintenance	5,150
Total depreciation expense, governmental activities	<u>\$ 560,012</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation					
bonds payable	\$ 2,550,000	\$ -	\$ 505,000	\$ 2,045,000	\$ 505,000
Premium on bonds	176,631	-	39,251	137,380	39,251
Compensated absences payable	161,566	-	2,977	158,589	-
PERS net pension liability	2,760,163	-	237,053	2,523,110	-
Capital leases payable	1,795,559	-	129,476	1,666,083	138,089
Total governmental activities long-term liabilities	<u>\$ 7,443,919</u>	<u>\$ -</u>	<u>\$ 913,757</u>	<u>\$ 6,530,162</u>	<u>\$ 682,340</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments are listed as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 505,000	\$ 81,800	\$ 586,800
2023	495,000	61,600	556,600
2024	520,000	41,800	561,800
2025	525,000	21,000	546,000
Total	<u>\$ 2,045,000</u>	<u>\$ 206,200</u>	<u>\$ 2,251,200</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2021, with their outstanding balances are comprised of the following individual issues:

\$3,600,000 - general obligation school refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning January 15, 2018 to January 15, 2025. \$ 2,045,000

Capital Leases Payable - The District underwent renovations to all buildings and implementing an energy savings project. Both projects are financed by capital leases. The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payment at June 30, 2021:

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 176,649
2023	182,333
2024	188,198
2025	194,254
2026	200,505
2027 - 2031	<u>933,273</u>
Total minimum lease payments	1,875,212
Amount representing interest	<u>(209,129)</u>
Total	<u>\$ 1,666,083</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2021 is \$26,516,605. General obligation debt at June 30, 2021 is \$2,045,000, resulting in a legal debt margin of \$24,471,605.

Note 6 - Pension plans

Description of systems

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2020 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to

PERS during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

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

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2021 was 17.29% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2020:

Net pension liability	\$ 2,523,110
Proportionate share	0.0154721941%

Plan fiduciary net position as a percentage of the total pension liability	58.32%
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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:

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

Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2020.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

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

Collective net pension liability and actuarial information (continued)

The 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.

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 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
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	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Discount rate (continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2020 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,523,110
At a 1% lower rate (6.00%)	3,201,150
At a 1% higher rate (8.00%)	1,984,450

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2020 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,942	\$ 8,923
Changes of assumptions	81,853	1,056,450
Net difference between projected and actual earnings on pension plan investments	86,242	-
Changes in proportion and differences between District contributions and proportionate share of contributions	182,067	56,396
District contributions subsequent to the measurement date	169,258	-
Total	<u>\$ 565,362</u>	<u>\$ 1,121,769</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) of \$169,258 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2020 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 55,600	\$ (9,658)	\$ 45,942
Changes of assumptions	480,437	(398,584)	81,853
Differences between expected and actual experience	-	86,242	86,242
Deferred inflows of resources			
Differences between expected and actual experience	(15,034)	6,111	(8,923)
Changes in assumptions	(932,243)	(124,207)	(1,056,450)
Difference between projected and actual earnings on pension plan investments	(27,348)	27,348	-
Net of deferred outflows	<u>\$ (438,588)</u>	<u>\$ (412,748)</u>	<u>\$ (851,336)</u>

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

Fiscal Year Ending June 30,

2021	\$ (316,604)
2022	(288,647)
2023	(164,954)
2024	(66,705)
2025	(14,426)
Total	<u>\$ (851,336)</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Pension expense

For the fiscal year ended June 30, 2021, the District recognized net pension expense of \$29,405, which represents the District's proportionate share of allocable plan pension expense of \$60,288, less the net amortization of deferred amounts from changes in proportion of \$10,629, less other adjustments to the net pension liability of \$20,254. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2020 measurement date are as follows:

Service cost	\$ 119,193
Interest on total pension liability	388,372
Benefit changes	(2,662)
Member contributions	(84,723)
Administrative expense	2,027
Expected investment return net of investment expense	(228,628)
Pension expense related to specific liabilities of individual employers	(1,061)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	27,382
Changes of assumptions	(201,703)
Difference between projected and actual investment earnings on pension plan investments	42,091
Pension expense	<u>\$ 60,288</u>

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

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Special funding situation

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

During the State fiscal year ending June 30, 2020, the State of New Jersey contributed \$1,235,659 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2020 measurement date is as follows:

District proportionate share of net pension liability	\$ 47,621,217
Less: State proportionate share of net pension liability	11,714,058
Net pension liability	<u>\$ 35,907,159</u>
Proportionate share	0.0545297116%
Plan fiduciary net position as a percentage of the total pension liability	24.60%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Actuarial assumptions

The total pension liability for the June 30, 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:

Inflation rate

Price	2.75%
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Wage	3.25%
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Salary increases (based on years of service)

Through 2026	1.55 - 4.45%
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Thereafter	2.75 - 5.65%
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Investment rate of return	7.00%
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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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

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

Discount rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2020 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (5.40%)	\$ 35,907,159
At a 1% lower rate (4.40%)	42,177,163
At a 1% higher rate (6.40%)	30,700,973

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2020 measurement date are as follows:

Service cost	\$ 894,449
Interest on total pension liability	2,546,907
Benefit changes	(9,107)
Member contributions	(471,756)
Administrative expense	7,351
Expected investment return net of investment expense	(829,956)
Pension expense related to specific liabilities of individual employers	2,584
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	96,389
Changes of assumptions	(214,804)
Difference between projected and actual investment earnings on pension plan investments	210,803
Pension expense	<u>\$ 2,232,860</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2021) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2021 was \$1,174.

D. Other pension plan information

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$475,320 to the TPAF for postretirement medical benefits, \$28,319 for non-contributory insurance premiums, \$998 for long-term disability insurance, and \$1,488,413 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$368,803 during the fiscal year ended June 30, 2018 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State of New Jersey provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have decreased from fiscal year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State including Medicare Advantage contracts. The State has appropriated \$1.775 billion in fiscal year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in fiscal year 2019.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District. Note that actual numbers will be published in the NJ State ACFR at <https://www.nj.gov/treasury/omb/fr.shtml>.

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2020 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 67,809,962,608
District's proportionate share of the State's OPEB liability	40,143,202
Employer OPEB expense and related revenue	2,047,331
Allocable proportionate percentage	0.0591995637%

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2019	\$ 24,468,224
Service cost	1,075,566
Interest cost	882,275
Change of benefit terms	-
Differences between expected and actual experiences	7,062,031
Changes of assumptions	7,332,784
Member contributions	21,182
Gross benefit payments	(698,860)
Total OPEB liability at June 30, 2020	<u>\$ 40,143,202</u>

There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% as of the June 30, 2019 plan measurement date to 2.21% as of the June 30, 2020 plan measurement date.

The total non-employer 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:

Inflation rate		2.50%
	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	1.55% - 4.45%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. 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%.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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 the total OPEB liability to changes in the discount rates

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

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$ 40,143,202
At a 1% lower rate (2.50%)	48,394,702
At a 1% higher rate (4.50%)	33,691,324

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

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

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 40,143,202
At a 1% lower rate (1% decrease)	32,404,946
At a 1% higher rate (1% increase)	49,357,745

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$2,047,331 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Deferred compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

AXA Equitable
 Siracusa Benefits
 Lincoln Investment Planning

Note 9 - Interfund receivable and payables

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

	Receivable Fund	Payable Fund
General fund	\$ 65,354	\$ 44,434
Special revenue fund	-	65,354
Food service fund	44,434	-
Total	\$ 109,788	\$ 109,788

As of June 30, 2021, the following interfunds were on the District's records. The special revenue fund had an interfund payable to the general fund for \$65,354 representing a loan due to cash flow issues relating to the delayed receipt of grant revenues.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2021 consisted of the following:

Food	\$ 6,101
Supplies	2,093
Total	\$ 8,194

Note 11 - Contingent liabilities

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

Note 12 - Risk management

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management (continued)

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

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

Note 13 - Reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the Reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$1,092,058 to their capital reserve account, \$511,000 to their maintenance reserve account, and \$250,000 to their tuition reserve by Board Resolution in June 2021 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,298,135	\$ 1,092,058	\$ -	\$ -	\$ 440,000	\$ 1,950,193
Emergency	250,000	-	-	-	220,000	30,000
Maintenance	492,615	511,000	-	-	170,000	833,615
Tuition	-	250,000	-	-	-	250,000
Total	<u>\$ 2,040,750</u>	<u>\$ 1,853,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 830,000</u>	<u>\$ 3,063,808</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance-general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2021 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 79,376
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	1,950,193
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	30,000
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	833,615
Tuition reserve account - Represents funds accumulated for future tuition adjustments pursuant to N.J.A.C. 6A:23A-17.1(f).	250,000

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	39,515
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Assigned

Designated surplus - Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	90,023
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	940,380
Total fund balance - Budgetary basis (Exhibit C-1)	4,213,102
Last state aid payments recognized on GAAP basis	(431,101)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 3,782,001</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$0.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2021 of (\$2,705,721) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - At June 30, 2021, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year Ending June 30

2022	\$ 18,900
2023	18,900
2024	4,726
Total minimum lease payments	<u>\$ 42,526</u>

Note 19 - Restatement of prior year net position

During the fiscal year ended June 30, 2021, the District restated net position for governmental activities as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	Governmental Activities
Net position, June 30, 2020	\$ 5,045,734
Additions	
Reserved fund balance - student activity fund	35,717
Net position, June 30, 2020, as restated	<u>\$ 5,081,451</u>

Note 20 - Restatement of prior year fund balance

During the fiscal year ended June 30, 2021, the District restated fund balance for the general fund and special revenue fund as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	Special Revenue Fund
Fund balance June 30, 2020	\$ -
Additions	
Reserved fund balance - student activity fund	35,717
Fund balance, June 30, 2020 as restated	<u>\$ 35,717</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 21 - Recent accounting pronouncements not yet effective

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

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

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

Note 22 - Risks and uncertainties

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

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

Note 23 - Subsequent events

The District has evaluated subsequent events through February 16, 2022, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 14,895,043	\$ -	\$ 14,895,043	\$ 14,895,043	\$ -
Tuition from individuals	38,000	-	38,000	16,143	(21,857)
Tuition from other LEA's within the state	95,000	-	95,000	90,145	(4,855)
Transportation fees from other LEAs	-	-	-	180	180
Unrestricted miscellaneous revenues	20,000	-	20,000	32,713	12,713
Total	15,048,043	-	15,048,043	15,034,224	(13,819)
State sources					
Categorical transportation aid	147,093	-	147,093	147,093	-
Extraordinary aid	65,000	-	65,000	284,200	219,200
Categorical special education aid	763,471	-	763,471	763,471	-
Equalization aid	3,297,471	-	3,297,471	3,297,471	-
Categorical security aid	105,232	-	105,232	105,232	-
Other state aid	-	-	-	6,670	6,670
TPAF Pension (on-behalf)	-	-	-	1,516,732	1,516,732
TPAF Social Security (reimbursed)	-	-	-	368,803	368,803
TPAF Postretirement benefits	-	-	-	475,320	475,320
TPAF Long-term disability insurance	-	-	-	998	998
Total	4,378,267	-	4,378,267	6,965,990	2,587,723
Federal Sources					
FEMA Grant	-	-	-	19,699	19,699
Total	-	-	-	19,699	19,699
Total revenues	\$ 19,426,310	\$ -	\$ 19,426,310	\$ 22,019,913	\$ 2,593,603
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 181,085	\$ 1,280	\$ 182,365	\$ 182,365	\$ -
Grades 1-5	1,468,993	2,640	1,471,633	1,466,562	5,071
Grades 6-8	1,320,027	(129,118)	1,190,909	1,063,598	127,311
Home instruction					
Salaries of teacher	2,000	321	2,321	2,321	-
Purchased professional - educational services	3,660	(321)	3,339	-	3,339
Regular programs - undistributed instruction					
Purchased professional - educational services	3,500	-	3,500	-	3,500
Purchased technical services	270,000	90,867	360,867	300,295	60,572
Other purchased services	92,100	-	92,100	70,071	22,029
General supplies	199,913	1,364	201,277	152,635	48,642
Textbooks	2,800	5,139	7,939	7,639	300
Other objects	250	-	250	53	197
Total	3,544,328	(27,828)	3,516,500	3,245,539	270,961

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 240,260	\$ 25,046	\$ 265,306	\$ 265,306	\$ -
Other salaries for instruction	48,359	17,015	65,374	62,123	3,251
General supplies	1,726	-	1,726	1,083	643
Total	290,345	42,061	332,406	328,512	3,894
Behavioral disabilities					
Salaries of teachers	60,515	-	60,515	60,515	-
Other salaries for instruction	33,517	(13,000)	20,517	14,238	6,279
General supplies	2,400	-	2,400	834	1,566
Total	96,432	(13,000)	83,432	75,587	7,845
Resource room/resource center					
Salaries of teachers	699,866	93,039	792,905	691,936	100,969
Other salaries for instruction	208,506	(22,446)	186,060	145,379	40,681
General supplies	1,860	-	1,860	1,214	646
Total	910,232	70,593	980,825	838,529	142,296
Preschool disabilities - full-time					
Salaries of teachers	145,840	-	145,840	145,840	-
Other salaries for instruction	47,329	-	47,329	44,855	2,474
Purchased professional - educational services	11,750	-	11,750	451	11,299
General supplies	2,500	-	2,500	2,065	435
Total	207,419	-	207,419	193,211	14,208
Home instruction					
Purchased professional-educational services	5,000	-	5,000	-	5,000
Total	5,000	-	5,000	-	5,000
Total special education	1,509,428	99,654	1,609,082	1,435,839	173,243
Basic skills/remedial					
Salaries of teachers	273,878	-	273,878	232,215	41,663
General supplies	1,045	-	1,045	564	481
Total	274,923	-	274,923	232,779	42,144
School-sponsored co/extra curricular activities - instruction					
Salaries	28,000	-	28,000	5,381	22,619
Supplies and materials	1,566	-	1,566	-	1,566
Total	29,566	-	29,566	5,381	24,185
School-sponsored athletics - instruction					
Salaries	2,320	-	2,320	-	2,320
Supplies and materials	550	-	550	-	550
Total	2,870	-	2,870	-	2,870

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expeitures (cont'd)					
Summer school - instruction					
Salaries of teachers	\$ 39,720	\$ -	\$ 39,720	\$ 31,680	\$ 8,040
Purchased professional & technical services	10,460	-	10,460	4,879	5,581
General supplies	1,000	-	1,000	-	1,000
Total	51,180	-	51,180	36,559	14,621
Summer school - support services					
Salaries	4,040	-	4,040	792	3,248
Total	4,040	-	4,040	792	3,248
Total instruction regular	\$ 5,416,335	\$ 71,826	\$ 5,488,161	\$ 4,956,889	\$ 531,272
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEA's within the state - regular	\$ 4,046,640	\$ 85,350	\$ 4,131,990	\$ 4,131,990	\$ -
Tuition to other LEA's within the state - special	365,500	(95,550)	269,950	263,500	6,450
Tuition to county vocational school district - regular	158,100	-	158,100	141,990	16,110
Tuition to county vocational school district - special	30,600	10,200	40,800	34,530	6,270
Tuition to cssd & regional day schools	290,670	83,168	373,838	373,838	-
Tuition to priv. school for the disabled w/i state	735,074	(101,019)	634,055	578,616	55,439
Tuition - other	58,366	(58,366)	-	-	-
Total	5,684,950	(76,217)	5,608,733	5,524,464	84,269
Undistributed expenditures - health services					
Salaries	141,982	-	141,982	128,063	13,919
Purchased professional and technical services	12,000	-	12,000	4,400	7,600
Supplies and materials	10,887	13,206	24,093	19,445	4,648
Total	164,869	13,206	178,075	151,908	26,167
Undistributed expenditures - speech, ot, pt & related services					
Salaries	143,190	-	143,190	129,274	13,916
Purchased professional - educational services	173,396	95,887	269,283	242,824	26,459
Supplies and materials	2,300	2,800	5,100	3,376	1,724
Other objects	500	(500)	-	-	-
Total	319,386	98,187	417,573	375,474	42,099
Undistributed expenditures - other supp. Serv. stds. - extra service					
Salaries	110,842	-	110,842	78,321	32,521
Purchased professional - educational services	147,500	(50,000)	97,500	41,609	55,891
Supplies and materials	3,500	-	3,500	-	3,500
Total	261,842	(50,000)	211,842	119,930	91,912
Undistributed expenditures - guidance					
Salaries of other professional staff	129,880	-	129,880	129,880	-
Purchased professional - educational services	1,000	-	1,000	135	865
Other purchased professional & technical services	3,000	-	3,000	2,203	797
Supplies and materials	1,000	-	1,000	169	831
Total	134,880	-	134,880	132,387	2,493

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (cont'd)					
Undistributed expenditures - child study teams					
Salaries of other professional staff	\$ 264,465	\$ 20,000	\$ 284,465	\$ 277,062	\$ 7,403
Salaries of secretarial and clerical assistants	10,000	-	10,000	10,000	-
Purchased professional - educational services	30,000	(5,782)	24,218	6,754	17,464
Other purchased professional & technical services	6,500	3,000	9,500	4,238	5,262
Other purchased services	400	-	400	-	400
Supplies and materials	12,250	-	12,250	9,811	2,439
Total	323,615	17,218	340,833	307,865	32,968
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	35,000	-	35,000	11,400	23,600
Salaries of secretarial & clerical assist	1,500	-	1,500	-	1,500
Other salaries	75,830	(8,000)	67,830	35,330	32,500
Other purchased services	5,900	-	5,900	3,550	2,350
Supplies and materials	1,000	-	1,000	506	494
Other objects	2,000	-	2,000	-	2,000
Total	121,230	(8,000)	113,230	50,786	62,444
Undistributed expenditures - edu. media service/sch. library					
Salaries	80,763	30,957	111,720	111,720	-
Salaries of technology coordinators	30,831	-	30,831	30,000	831
Supplies and materials	20,450	(894)	19,556	3,057	16,499
Total	132,044	30,063	162,107	144,777	17,330
Undistributed expenditures - instructional staff training services					
Other purchased services	9,000	558	9,558	558	9,000
Total	9,000	558	9,558	558	9,000
Undistributed expenditures - support service - general admin.					
Salaries	67,275	111,202	178,477	164,318	14,159
Legal services	27,500	18,500	46,000	34,784	11,216
Audit fees	22,500	-	22,500	21,500	1,000
Purchased technical services	1,750	(750)	1,000	-	1,000
Communications/telephone	40,800	5,000	45,800	37,233	8,567
BOE other purchased services	-	2,395	2,395	2,395	-
Misc purch services	38,200	9,767	47,967	44,270	3,697
General supplies	1,500	(75)	1,425	1,338	87
BOE in-house training/meeting supplies	200	-	200	51	149
Miscellaneous expenditures	10,950	(4,943)	6,007	3,896	2,111
BOE membership dues and fees	12,500	(394)	12,106	10,956	1,150
Total	223,175	140,702	363,877	320,741	43,136
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	351,828	(112,000)	239,828	208,584	31,244
Salaries of secretarial and clerical assistants	140,440	(40,000)	100,440	86,463	13,977
Supplies and materials	12,100	-	12,100	8,892	3,208
Other objects	4,300	-	4,300	1,595	2,705
Total	508,668	(152,000)	356,668	305,534	51,134

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (cont'd)					
Undistributed expenditures - central services					
Salaries	\$ 216,001	\$ 10,000	\$ 226,001	\$ 221,450	\$ 4,551
Purchased professional services	12,000	(4,434)	7,566	641	6,925
Miscellaneous purchased services	32,575	-	32,575	22,651	9,924
Supplies and materials	3,350	-	3,350	2,601	749
Other objects	3,000	-	3,000	195	2,805
Total	266,926	5,566	272,492	247,538	24,954
Undistributed expenditures - admin. info. technology					
Salaries	11,745	1,700	13,445	13,416	29
Purchased professional services	5,000	-	5,000	4,954	46
Purchased technical services	2,500	894	3,394	3,394	-
Supplies and materials	800	-	800	529	271
Total	20,045	2,594	22,639	22,293	346
Undistributed expenditures - req. maint. for school facilities					
Salaries	70,228	25	70,253	65,967	4,286
Cleaning, repair, and maintenance services	268,605	114,287	382,892	234,160	148,732
General supplies	31,406	-	31,406	16,947	14,459
Other objects	1,125	-	1,125	517	608
Total	371,364	114,312	485,676	317,591	168,085
Undistributed expenditures - custodial services					
Salaries	330,501	12,710	343,211	297,683	45,528
Salaries of non-instructional aides	14,460	(14,460)	-	-	-
Purchased professional and technical services	30,000	-	30,000	11,147	18,853
Cleaning, repair, and maintenance service	39,883	-	39,883	23,550	16,333
Lease purchase pymts - energy savings impr prog	173,908	-	173,908	171,146	2,762
Insurance	55,000	-	55,000	54,727	273
Miscellaneous purchased services	5,000	-	5,000	651	4,349
General supplies	42,000	4,412	46,412	16,129	30,283
Energy (natural gas)	43,000	1,460	44,460	44,460	-
Energy (electricity)	157,500	(1,460)	156,040	139,002	17,038
Energy (oil)	27,000	-	27,000	23,162	3,838
Other objects	3,000	-	3,000	1,830	1,170
Total	921,252	2,662	923,914	783,487	140,427
Undistributed expenditures - care and upkeep of grounds					
Salaries	31,988	25	32,013	31,992	21
Purchased professional and technical services	8,750	-	8,750	-	8,750
Cleaning, repair, and maintenance service	12,500	-	12,500	3,000	9,500
General supplies	11,000	3,960	14,960	4,634	10,326
Total	64,238	3,985	68,223	39,626	28,597

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (cont'd)					
Undistributed expenditures - security					
Salaries	\$ 18,000	\$ -	\$ 18,000	\$ 17,238	\$ 762
Purchased professional and technical services	31,300	(21,500)	9,800	3,951	5,849
Cleaning, repair, and maintenance service	21,000	-	21,000	20,431	569
General supplies	3,000	-	3,000	911	2,089
Total	73,300	(21,500)	51,800	42,531	9,269
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	12,000	7,000	19,000	410	18,590
Management fee - esc & ctsa trans. program	37,000	-	37,000	15,625	21,375
Other purchased professional and technical service	55,400	-	55,400	32,888	22,512
Contract service-aid in lieu pymts - non-public schools	47,000	10,060	57,060	40,499	16,561
Contract service-aid in lieu pymts-charter school students	8,000	-	8,000	6,000	2,000
Contract service (between home & school) - vendors	589,289	33,951	623,240	562,993	60,247
Contr service (oth. than between home & school) - vend.	7,350	-	7,350	-	7,350
Contract service (sp. ed. stds.) - joint agreements	20,000	-	20,000	-	20,000
Contract service (spl. ed. students) - escs & ctsas	617,350	-	617,350	431,921	185,429
General supplies	-	2,500	2,500	-	2,500
Total	1,393,389	53,511	1,446,900	1,090,336	356,564
Allocated benefits - employee benefits					
Regular programs - instruction					
Unused sick payment to terminated/retired staff	26,581	-	26,581	312	26,269
Total	26,581	-	26,581	312	26,269
Support services - central services					
Tuition reimbursement	-	6,651	6,651	6,651	-
Total	-	6,651	6,651	6,651	-
Total allocated benefits - employees	\$ 26,581	\$ 6,651	\$ 33,232	\$ 6,963	\$ 26,269
Unallocated benefits - employee benefits					
Social Security contributions	\$ 135,000	\$ 11,065	\$ 146,065	\$ 146,065	\$ -
Other retirement contributions - PERS	180,482	239	180,721	180,721	-
Other retirement contributions - regular	2,000	-	2,000	1,174	826
Unemployment compensation	31,000	(2,295)	28,705	14,427	14,278
Workmen's compensation	79,480	-	79,480	73,425	6,055
Health benefits	2,471,474	1,126	2,472,600	2,090,542	382,058
Tuition reimbursement	40,616	-	40,616	30,622	9,994
Other employee benefits	30,650	-	30,650	16,486	14,164
Total	2,970,702	10,135	2,980,837	2,553,462	427,375

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (cont'd)					
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 1,516,732	\$ (1,516,732)
On-behalf TPAF Postretirement medical benefits	-	-	-	475,320	(475,320)
On-behalf TPAF Long-term disability insurance	-	-	-	998	(998)
Reimbursed TPAF Social Security contribution	-	-	-	368,803	(368,803)
Total	-	-	-	2,361,853	(2,361,853)
Total undistributed expenditures	\$ 13,991,456	\$ 191,633	\$ 14,183,089	\$ 14,900,104	\$ (717,015)
Total current	\$ 19,407,791	\$ 263,459	\$ 19,671,250	\$ 19,856,993	\$ (185,743)
Capital outlay					
Equipment					
Undistributed					
Undistributed expend. - req. maint. for school facilities	\$ 8,500	\$ -	\$ 8,500	\$ -	\$ 8,500
Total equipment	8,500	-	8,500	-	8,500
Facilities acquisition and construction service					
Legal services	10,000	(10,000)	-	-	-
Architectural/engineering services	62,500	(21,414)	41,086	34,555	6,531
Other purchased professional and technology services	28,200	(22,850)	5,350	5,350	-
Construction services	569,267	54,264	623,531	615,136	8,395
Assessment for debt service on SDA funding	2,261	-	2,261	2,261	-
Total facilities acquisition and construction service	672,228	-	672,228	657,302	14,926
Total capital outlay	\$ 680,728	\$ -	\$ 680,728	\$ 657,302	\$ 23,426
Transfer of funds to charter schools	\$ 151,690	\$ 500	\$ 152,190	\$ 151,690	\$ 500
Total expenditures	\$ 20,240,209	\$ 263,959	\$ 20,504,168	\$ 20,665,985	\$ (161,817)
Excess (deficiency) of revenues over (under) expenditures	\$ (813,899)	\$ (263,959)	\$ (1,077,858)	\$ 1,353,928	\$ 2,431,786
Fund balances, July 1	2,859,174	-	2,859,174	2,859,174	-
Fund balances, June 30	\$ 2,045,275	\$ (263,959)	\$ 1,781,316	\$ 4,213,102	\$ 2,431,786

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (243,899)	\$ -	\$ (243,899)	\$ (243,899)	\$ -
Increase in capital reserve	-	1,092,058	1,092,058	1,092,058	-
Withdrawal from capital reserve	(440,000)	-	(440,000)	(440,000)	-
Increase in emergency reserve	-	511,000	511,000	511,000	-
Withdrawal from emergency reserve	-	(220,000)	(220,000)	(220,000)	-
Withdrawal from maintenance reserve	(130,000)	(40,000)	(170,000)	(170,000)	-
Increase in tuition reserve	-	250,000	250,000	250,000	-
Budgeted fund balance	-	(1,857,017)	(1,857,017)	574,769	2,431,786
Total	\$ (813,899)	\$ (263,959)	\$ (1,077,858)	\$ 1,353,928	\$ 2,431,786
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 79,376	
Capital reserve				1,950,193	
Emergency reserve				30,000	
Maintenance reserve				833,615	
Tuition reserve					
Year 2020 - 2021				250,000	
Committed fund balance					
Year-end encumbrances				39,515	
Assigned fund balance					
Designated for subsequent year's expenditures				90,023	
Unassigned fund balance				940,380	
Fund balance per budgetary basis				4,213,102	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(431,101)	
Fund balance per governmental funds (GAAP)				\$ 3,782,001	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	\$ 7,166	\$ 18,869	\$ 26,035	\$ 26,308	\$ 273
Federal sources	730,174	-	730,174	369,172	(361,002)
Total revenues	<u>\$ 737,340</u>	<u>\$ 18,869</u>	<u>\$ 756,209</u>	<u>\$ 395,480</u>	<u>\$ (360,729)</u>
Expenditures					
Instruction					
Salaries	\$ 57,747	\$ -	\$ 57,747	\$ 45,741	\$ 12,006
Purchased professional and technical services	21,000	-	21,000	-	21,000
Other purchased services	4,670	-	4,670	4,670	-
General supplies	149,578	-	149,578	119,343	30,235
Total	<u>232,995</u>	<u>-</u>	<u>232,995</u>	<u>169,754</u>	<u>63,241</u>
Support services					
Tuition	182,000	-	182,000	165,204	16,796
Salaries	8,921	-	8,921	-	8,921
Employee benefits	6,305	-	6,305	3,499	2,806
Purchased professional and technical services	-	5,000	5,000	3,500	1,500
Other purchased services	56,997	(5,000)	51,997	23,798	28,199
Supplies and materials	13,151	-	13,151	8,360	4,791
Student activities	-	25,482	25,482	25,482	-
Total	<u>267,374</u>	<u>25,482</u>	<u>292,856</u>	<u>229,843</u>	<u>63,013</u>
Capital outlay					
Instructional equipment	<u>236,971</u>	<u>-</u>	<u>236,971</u>	<u>2,496</u>	<u>234,475</u>
Total expenditures	<u>\$ 737,340</u>	<u>\$ 25,482</u>	<u>\$ 762,822</u>	<u>\$ 402,093</u>	<u>\$ 360,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (6,613)</u>	<u>\$ (6,613)</u>	<u>\$ (6,613)</u>	<u>\$ -</u>
Fund balances, July 1 (as restated)	<u>35,717</u>	<u>-</u>	<u>35,717</u>	<u>35,717</u>	<u>-</u>
Fund balances, June 30	<u>\$ 35,717</u>	<u>\$ (6,613)</u>	<u>\$ 29,104</u>	<u>\$ 29,104</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance				\$ 29,104	
Student activities				<u>\$ 29,104</u>	
Fund balance per budgetary basis				<u>\$ 29,104</u>	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2021

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 22,019,913	\$ 395,480
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	612
Outstanding encumbrances - current year	-	(10,075)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	514,839	-
State aid receivable - current year	(431,101)	-
Total revenues (GAAP basis)	<u>\$ 22,103,651</u>	<u>\$ 386,017</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,665,985	\$ 402,093
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	612
Outstanding encumbrances - current year	-	(10,075)
Total expenditures (GAAP basis)	<u>\$ 20,665,985</u>	<u>\$ 392,630</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.0154721941%	0.0153185121%	0.0148077227%	0.0140210442%	0.0145045105%	0.0158783260%	0.0168460007%	0.0152673017%	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,523,110	\$ 2,760,163	\$ 2,915,567	\$ 3,263,875	\$ 4,295,820	\$ 3,564,366	\$ 3,154,032	\$ 2,917,885	N/A
District's covered employee payroll	\$ 978,669	1,080,612	1,095,150	1,046,342	985,451	954,391	1,009,899	1,062,273	1,139,750	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	233.49%	252.04%	278.64%	331.21%	450.11%	352.94%	296.91%	256.01%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A

N/A = Information Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 169,258	\$ 149,004	\$ 147,289	\$ 129,890	\$ 130,174	\$ 136,511	\$ 138,876	\$ 115,036	\$ 98,136	\$ 126,145
Contributions in relation to the contractually required contribution	<u>(169,258)</u>	<u>(149,004)</u>	<u>(147,289)</u>	<u>(129,890)</u>	<u>(130,174)</u>	<u>(136,511)</u>	<u>(138,876)</u>	<u>(115,036)</u>	<u>(126,145)</u>	<u>(126,145)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,009)</u>	<u>N/A</u>
District's covered employee payroll	\$ 978,669	\$ 1,080,612	\$ 1,095,150	\$ 1,046,342	\$ 985,451	\$ 954,391	\$ 1,009,899	\$ 1,062,273	\$ 1,139,750	\$ 1,008,137
Contributions as a percentage of covered employee payroll	17.29%	13.79%	13.45%	12.41%	13.21%	14.30%	13.75%	10.83%	8.61%	N/A

N/A = Information Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	35,907,159	34,070,868	34,573,944	35,897,530	44,158,384	37,018,875	30,782,398	30,000,335	\$ -
Total	<u>\$ -</u>	<u>\$ 35,907,159</u>	<u>\$ 34,070,868</u>	<u>\$ 34,573,944</u>	<u>\$ 35,897,530</u>	<u>\$ 44,158,384</u>	<u>\$ 37,018,875</u>	<u>\$ 30,782,398</u>	<u>\$ 30,000,335</u>	<u>\$ -</u>
District's covered employee payroll	\$ 5,113,504	\$ 5,406,693	\$ 5,634,331	\$ 5,730,946	\$ 5,715,574	\$ 5,527,363	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A

N/A = Information Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,235,659	\$ 1,116,234	\$ 1,114,727	\$ 819,751	\$ 598,866	\$ 449,428	\$ 316,652	\$ 243,649	\$ 383,561	\$ 188,093
Contributions in relation to the contractually required contribution	(1,235,659)	(1,116,234)	(1,114,727)	(819,751)	(598,866)	(449,428)	(316,652)	(243,649)	(383,561)	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>
District's covered employee payroll	\$ 5,113,504	\$ 5,406,693	\$ 5,634,331	\$ 5,730,946	\$ 5,715,574	\$ 5,527,363	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ 5,625,510
Contributions as a percentage of covered employee payroll	24.16%	20.65%	19.78%	14.30%	10.48%	8.13%	5.84%	4.24%	6.83%	N/A

N/A = Information Not Available

See independent auditors' report.

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	40,143,202	24,468,224	27,209,475	31,237,261	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 40,143,202	\$ 24,468,224	\$ 27,209,475	\$ 31,237,261	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 6,487,305	\$ 6,729,481	\$ 6,777,288	\$ 6,701,025	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information Not Available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2021

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 5.60% in State fiscal year 2019 and 5.40% in State fiscal year 2020. The inflation rate was 2.75% in State fiscal year 2019 and 2.75% in State fiscal year 2020.
- Note 3 - Changes in assumptions - PERS
The discount rate was 6.28% in State fiscal year 2019 and 7.00% in State fiscal year 2020. The inflation rate was 2.75% for State fiscal year 2019 and 2.75% for State fiscal year 2020.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.50% in State fiscal year 2019 to 2.21% in State fiscal year 2020. The inflation rate was 2.50% for State fiscal year 2019 and 2020.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

SPECIAL REVENUE FUND

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Local Grants	ESSA Title IA	ESSA Title IIA	ESSA Title IV	IDEA Basic	IDEA Preschool	CARES Emergency Relief	Coronavirus Relief Fund	Student Activity Fund	Total
Revenues										
Local sources	\$ 7,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,869	\$ 26,308
Federal sources	-	65,577	16,808	8,684	179,542	4,100	58,401	36,060	-	369,172
Total revenues	<u>\$ 7,439</u>	<u>\$ 65,577</u>	<u>\$ 16,808</u>	<u>\$ 8,684</u>	<u>\$ 179,542</u>	<u>\$ 4,100</u>	<u>\$ 58,401</u>	<u>\$ 36,060</u>	<u>\$ 18,869</u>	<u>\$ 395,480</u>
Expenditures										
Instruction										
Salaries	\$ -	\$ 45,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,741
Other purchased services	4,670	-	-	-	-	-	-	-	-	4,670
General supplies	273	16,337	-	5,184	14,338	4,100	43,051	36,060	-	119,343
Total	<u>4,943</u>	<u>62,078</u>	<u>-</u>	<u>5,184</u>	<u>14,338</u>	<u>4,100</u>	<u>43,051</u>	<u>36,060</u>	<u>-</u>	<u>169,754</u>
Support services										
Tuition	-	-	-	-	165,204	-	-	-	-	165,204
Employee benefits	-	3,499	-	-	-	-	-	-	-	3,499
Purchased professional and technical services	-	-	-	3,500	-	-	-	-	-	3,500
Other purchased services	-	-	16,808	-	-	-	6,990	-	-	23,798
Supplies and materials	-	-	-	-	-	-	8,360	-	-	8,360
Student activities	-	-	-	-	-	-	-	-	25,482	25,482
Total	<u>-</u>	<u>3,499</u>	<u>16,808</u>	<u>3,500</u>	<u>165,204</u>	<u>-</u>	<u>15,350</u>	<u>-</u>	<u>25,482</u>	<u>229,843</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures (continued)
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Local Grants	ESSA Title IA	ESSA Title IIA	ESSA Title IV	IDEA Basic	IDEA Preschool	CARES Emergency Relief	Coronavirus Relief Fund	Student Activity Fund	Total
Capital outlay										
Instructional equipment	\$ 2,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496
Total expenditures	<u>\$ 7,439</u>	<u>\$ 65,577</u>	<u>\$ 16,808</u>	<u>\$ 8,684</u>	<u>\$ 179,542</u>	<u>\$ 4,100</u>	<u>\$ 58,401</u>	<u>\$ 36,060</u>	<u>\$ 25,482</u>	<u>\$ 402,093</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,613)	\$ (6,613)
Fund balances, July 1 (as restated)	-	-	-	-	-	-	-	-	35,717	35,717
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,104</u>	<u>\$ 29,104</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

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

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

FIDUCIARY FUNDS

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

(NOT APPLICABLE TO THIS REPORT)

LONG-TERM DEBT SCHEDULES

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		07/01/20			06/30/21
General obligation refunding school bonds of 2017	11/15/17	\$ 3,600,000	01/15/22	\$ 505,000	4.000%	\$ 2,550,000	\$ -	\$ 505,000	\$ 2,045,000
			01/15/23	495,000	4.000%	-	-	-	-
			01/15/24	520,000	4.000%	-	-	-	-
			01/15/25	525,000	4.000%	-	-	-	-
						<u>\$ 2,550,000</u>	<u>\$ -</u>	<u>\$ 505,000</u>	<u>\$ 2,045,000</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2021

Description	Interest Rate	Amount of Original of Issue	Balance 07/01/20	Issued	Retired	Balance 06/30/21
Energy system improvement plan	2.363%	\$ 2,600,000	<u>\$ 1,795,559</u>	<u>\$ -</u>	<u>\$ 129,476</u>	<u>\$ 1,666,083</u>
			<u>\$ 1,795,559</u>	<u>\$ -</u>	<u>\$ 129,476</u>	<u>\$ 1,666,083</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 451,921	\$ -	\$ 451,921	\$ 451,921	\$ -
State sources					
Debt service aid	155,079	-	155,079	155,079	-
Total revenues	<u>607,000</u>	<u>-</u>	<u>607,000</u>	<u>607,000</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	102,000	-	102,000	102,000	-
Redemption of principal	505,000	-	505,000	505,000	-
Total expenditures	<u>607,000</u>	<u>-</u>	<u>607,000</u>	<u>607,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

STATISTICAL SECTION

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

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

		Fiscal Year Ended June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities											
Net investment in capital assets	\$	2,280,547	\$ 2,580,148	\$ 2,751,359	\$ 2,906,201	\$ 3,547,474	\$ 4,084,810	\$ 4,853,873	\$ 5,808,547	\$ 6,326,853	\$ 7,058,854
Restricted		302,390	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912
Unrestricted		(427,747)	(663,529)	(3,362,881)	(3,440,685)	(3,538,141)	(3,489,388)	(3,554,787)	(3,425,188)	(3,321,869)	(2,705,721)
Total governmental activities	\$	2,155,190	\$ 2,517,622	\$ 284,430	\$ 364,673	\$ 425,090	\$ 1,458,134	\$ 2,360,836	\$ 3,556,489	\$ 5,081,451	\$ 7,446,045
Business-type activities											
Net investment in capital assets	\$	35,419	\$ 24,320	\$ 14,636	\$ 6,668	\$ 4,796	\$ 2,925	\$ 1,174	\$ 179	\$ -	\$ -
Unrestricted		68,188	59,073	59,287	48,414	41,153	26,288	12,408	21,297	25,383	39,555
Total business-type activities	\$	103,607	\$ 83,393	\$ 73,923	\$ 55,082	\$ 45,949	\$ 29,213	\$ 13,582	\$ 21,476	\$ 25,383	\$ 39,555
District-wide											
Net investment in capital assets	\$	2,315,966	\$ 2,604,468	\$ 2,765,995	\$ 2,912,869	\$ 3,552,270	\$ 4,087,735	\$ 4,855,047	\$ 5,808,726	\$ 6,326,853	\$ 7,058,854
Restricted		302,390	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912
Unrestricted		(359,559)	(604,456)	(3,303,594)	(3,392,271)	(3,496,988)	(3,463,100)	(3,542,379)	(3,403,891)	(3,296,486)	(2,666,166)
Total district-wide	\$	2,258,797	\$ 2,601,015	\$ 358,353	\$ 419,755	\$ 471,039	\$ 1,487,347	\$ 2,374,418	\$ 3,577,965	\$ 5,106,834	\$ 7,485,600
*											

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,324,035	\$ 6,893,927	\$ 6,601,760	\$ 7,613,489	\$ 7,910,503	\$ 8,368,806	\$ 7,961,570	\$ 7,709,719	\$ 7,283,064	\$ 5,970,776
Special education	1,106,202	1,039,462	976,196	1,451,427	1,769,666	2,952,136	3,809,930	3,610,405	3,359,475	3,605,520
Other special instruction	221,351	235,704	232,347	455,968	778,035	653,234	916,837	744,688	678,737	569,134
Other instruction	12,065	8,933	35,576	30,420	37,620	46,947	93,641	96,976	58,954	55,425
Support services										
Tuition	7,177,323	6,541,194	6,500,875	7,137,647	6,880,632	6,186,512	6,259,441	6,034,009	5,762,878	5,689,668
Student and instruction related services	1,697,007	1,713,346	1,753,640	1,813,729	2,047,647	2,163,420	2,513,196	2,448,466	2,465,064	3,053,931
General and business administrative services	724,352	628,034	688,811	726,105	765,762	713,839	895,058	693,777	670,724	1,697,040
School administration	608,888	705,221	746,416	890,623	978,926	1,119,479	1,228,043	979,070	898,315	645,414
Plant operations and maintenance	1,214,530	1,349,828	1,449,282	1,381,404	1,285,345	1,383,480	1,599,573	1,453,307	1,308,010	2,396,109
Pupil transportation	794,567	845,042	942,179	1,060,410	1,203,671	1,181,826	1,305,574	1,348,293	1,411,263	1,090,336
Transfer to charter schools	-	-	-	-	-	-	76,004	127,203	151,041	151,690
Interest on long-term debt	294,224	275,906	259,452	280,325	263,557	252,774	232,784	143,014	129,591	87,222
Total governmental activities expenses	<u>20,174,544</u>	<u>20,236,597</u>	<u>20,186,534</u>	<u>22,841,547</u>	<u>23,921,364</u>	<u>25,022,453</u>	<u>26,891,651</u>	<u>25,388,927</u>	<u>24,177,116</u>	<u>25,012,265</u>
Business-type activities										
Food services	264,899	223,129	224,059	218,877	203,262	209,843	206,372	177,659	140,687	95,300
Total business-type activities	<u>264,899</u>	<u>223,129</u>	<u>224,059</u>	<u>218,877</u>	<u>203,262</u>	<u>209,843</u>	<u>206,372</u>	<u>177,659</u>	<u>140,687</u>	<u>95,300</u>
Total district expenses	<u>\$ 20,439,443</u>	<u>\$ 20,459,726</u>	<u>\$ 20,410,593</u>	<u>\$ 23,060,424</u>	<u>\$ 24,124,626</u>	<u>\$ 25,232,296</u>	<u>\$ 27,098,023</u>	<u>\$ 25,566,586</u>	<u>\$ 24,317,803</u>	<u>\$ 25,107,565</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenues										
Governmental activities										
Charges for services	\$ 30,910	\$ 11,604	\$ 49,706	\$ 68,901	\$ 53,780	\$ 416,067	\$ 370,766	\$ 288,101	\$ 211,237	\$ 125,337
Operating grants and contributions	518,132	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692	386,847
Capital grants and contributions	(18,167)	-	-	-	-	-	368,176	-	-	-
Total governmental activities	<u>530,875</u>	<u>366,267</u>	<u>381,614</u>	<u>373,185</u>	<u>384,570</u>	<u>730,369</u>	<u>1,058,433</u>	<u>593,844</u>	<u>517,929</u>	<u>512,184</u>
Business-type activities										
Charges for services										
Food service	161,116	145,633	148,361	142,244	133,924	131,763	123,635	128,306	83,551	2,391
Operating grants and contributions	67,529	58,615	66,207	57,792	60,044	61,071	66,120	57,020	51,800	107,073
Total business-type activities	<u>228,645</u>	<u>204,248</u>	<u>214,568</u>	<u>200,036</u>	<u>193,968</u>	<u>192,834</u>	<u>189,755</u>	<u>185,326</u>	<u>135,351</u>	<u>109,464</u>
Total district-wide program revenues	<u>\$ 759,520</u>	<u>\$ 570,515</u>	<u>\$ 596,182</u>	<u>\$ 573,221</u>	<u>\$ 578,538</u>	<u>\$ 923,203</u>	<u>\$ 1,248,188</u>	<u>\$ 779,170</u>	<u>\$ 653,280</u>	<u>\$ 621,648</u>
Net (expense) revenues										
Governmental activities	\$ (19,643,669)	\$ (19,870,330)	\$ (19,804,920)	\$ (22,468,362)	\$ (23,536,794)	\$ (24,292,084)	\$ (25,833,218)	\$ (24,795,083)	\$ (23,659,187)	\$ (24,500,081)
Business-type activities	<u>(36,254)</u>	<u>(18,881)</u>	<u>(9,491)</u>	<u>(18,841)</u>	<u>(9,294)</u>	<u>(17,009)</u>	<u>(16,617)</u>	<u>7,667</u>	<u>(5,336)</u>	<u>14,164</u>
Total district-wide net expenses	<u>\$ (19,679,923)</u>	<u>\$ (19,889,211)</u>	<u>\$ (19,814,411)</u>	<u>\$ (22,487,203)</u>	<u>\$ (23,546,088)</u>	<u>\$ (24,309,093)</u>	<u>\$ (25,849,835)</u>	<u>\$ (24,787,416)</u>	<u>\$ (23,664,523)</u>	<u>\$ (24,485,917)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 12,119,619	\$ 12,362,011	\$ 12,609,251	\$ 12,919,163	\$ 13,258,492	\$ 13,698,655	\$ 13,910,278	\$ 14,188,484	\$ 14,472,254	\$ 14,895,043
Taxes levied for debt service	530,267	537,321	543,598	536,107	520,240	518,156	517,876	488,155	438,452	451,921
Unrestricted grants and contributions	7,145,724	7,320,869	7,208,671	9,051,461	9,809,299	11,040,473	12,239,143	11,263,157	10,196,628	11,484,998
Investment earnings	37	35	744	935	1,405	9,676	24,275	41,880	33,405	12,341
Miscellaneous income	40,780	13,176	12,313	40,939	7,775	58,168	44,348	9,060	15,493	20,372
Special item:										
Transfer in (out)	-	-	-	-	-	-	-	-	(7,800)	-
Loss on disposal of capital assets	-	(650)	-	-	-	-	-	-	-	-
Prior year accounts receivable canceled	(51,381)	-	-	-	-	-	-	-	-	-
Prior year grants receivable canceled	(38,596)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>19,746,450</u>	<u>20,232,762</u>	<u>20,374,577</u>	<u>22,548,605</u>	<u>23,597,211</u>	<u>25,325,128</u>	<u>26,735,920</u>	<u>25,990,736</u>	<u>25,148,432</u>	<u>26,864,675</u>
Business-type activities										
Miscellaneous	1,277	-	21	-	-	-	-	-	-	-
Special item-loss on disposal of capital assets	-	(1,333)	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	161	273	986	227	1,443	8
Transfer in (out)	-	-	-	-	-	-	-	-	7,800	-
Total business-type activities	<u>1,277</u>	<u>(1,333)</u>	<u>21</u>	<u>-</u>	<u>161</u>	<u>273</u>	<u>986</u>	<u>227</u>	<u>9,243</u>	<u>8</u>
Total district-wide	<u>\$ 19,747,727</u>	<u>\$ 20,231,429</u>	<u>\$ 20,374,598</u>	<u>\$ 22,548,605</u>	<u>\$ 23,597,372</u>	<u>\$ 25,325,401</u>	<u>\$ 26,736,906</u>	<u>\$ 25,990,963</u>	<u>\$ 25,157,675</u>	<u>\$ 26,864,683</u>
Change in net position										
Governmental activities	\$ 102,781	\$ 362,432	\$ 569,657	\$ 80,243	\$ 60,417	\$ 1,033,044	\$ 902,702	\$ 1,195,653	\$ 1,489,245	\$ 2,364,594
Business-type activities	(34,977)	(20,214)	(9,470)	(18,841)	(9,133)	(16,736)	(15,631)	7,894	3,907	14,172
Total district	<u>\$ 67,804</u>	<u>\$ 342,218</u>	<u>\$ 560,187</u>	<u>\$ 61,402</u>	<u>\$ 51,284</u>	<u>\$ 1,016,308</u>	<u>\$ 887,071</u>	<u>\$ 1,203,547</u>	<u>\$ 1,493,152</u>	<u>\$ 2,378,766</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Restricted	\$ 314,922	\$ 614,946	\$ 894,835	\$ 475,865	\$ 337,046	\$ 835,157	\$ 1,081,394	\$ 1,146,402	\$ 2,155,843	\$ 3,143,184
Committed	-	-	9,529	11,125	8,185	129,429	339,170	328,848	243,899	39,515
Assigned	118,616	2,307	10,024	-	-	32,369	-	-	-	90,023
Unassigned	(212,534)	(193,505)	(190,015)	(295,902)	(243,610)	(143,246)	(114,964)	(44,552)	(19,690)	509,279
Total general fund	<u>\$ 221,004</u>	<u>\$ 423,748</u>	<u>\$ 724,373</u>	<u>\$ 191,088</u>	<u>\$ 101,621</u>	<u>\$ 853,709</u>	<u>\$ 1,305,600</u>	<u>\$ 1,430,698</u>	<u>\$ 2,380,052</u>	<u>\$ 3,782,001</u>
									*	
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,717	\$ 29,104
Capital projects fund	-	-	559,129	2,763,970	78,711	73,927	-	-	-	-
Assigned, reported in										
Debt service fund	1,411	-	1,107	-	-	-	26,728	26,728	-	-
Total all other governmental funds	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>	<u>\$ 78,711</u>	<u>\$ 73,927</u>	<u>\$ 26,728</u>	<u>\$ 26,728</u>	<u>\$ 35,717</u>	<u>\$ 29,104</u>
									*	

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 12,649,886	\$ 12,899,332	\$ 13,152,849	\$ 13,455,270	\$ 13,778,732	\$ 14,216,811	\$ 14,428,154	\$ 14,676,639	\$ 14,910,706	\$ 15,346,964
Tuition charges	-	-	-	-	1,795	146,840	210,636	288,101	210,652	106,288
Transportation charges	-	-	-	-	-	-	-	-	585	180
Miscellaneous	70,552	22,090	63,424	105,754	63,119	103,773	72,943	54,424	57,314	59,021
State sources	7,019,650	7,320,869	7,208,671	7,394,979	7,548,963	7,722,565	7,950,945	8,076,392	7,595,909	7,204,807
State sources - capital projects	(18,187)	-	-	-	-	-	368,176	-	-	-
Federal sources	638,253	351,784	325,266	294,790	327,732	307,490	310,613	302,259	298,276	379,408
Total revenues	20,360,154	20,594,075	20,750,210	21,250,793	21,720,341	22,497,479	23,341,467	23,397,815	23,073,442	23,096,668
Expenditures										
Instruction										
Regular instruction	4,304,285	4,530,462	4,502,409	4,277,595	4,144,829	4,049,697	3,695,614	3,622,804	3,505,734	3,245,539
Special education instruction	698,902	623,344	616,111	778,883	917,848	1,391,491	1,676,912	1,620,151	1,561,720	1,435,839
Other special instruction	123,611	129,656	131,565	228,042	353,422	259,194	336,533	301,300	256,982	232,779
Other instruction	8,135	6,100	24,053	19,603	22,808	27,103	50,373	59,001	48,649	42,732
Support services										
Tuition	6,854,550	6,257,235	6,245,487	6,908,970	6,638,390	5,811,449	5,995,361	5,831,755	5,580,738	5,524,464
Student & instruction related services	1,092,782	1,139,792	1,198,637	1,208,427	1,259,426	1,276,851	1,511,578	1,529,507	1,409,583	1,283,685
General administration	329,984	290,952	336,117	333,901	339,001	240,744	283,610	275,729	289,240	314,090
School administration services	413,653	461,358	493,329	501,305	510,020	533,241	549,897	500,707	458,568	305,534
Central services	189,179	195,465	205,729	206,559	223,126	246,536	282,836	250,338	210,383	254,189
Administrative information technology	8,051	8,177	9,833	7,861	9,698	8,540	13,639	14,626	19,940	22,293
Plant operations and maintenance	987,553	1,130,844	1,209,408	1,133,241	1,160,555	1,288,100	1,377,948	1,381,808	1,289,128	1,183,235
Pupil transportation	789,669	831,961	941,844	1,058,610	1,203,671	1,132,901	1,276,855	1,348,293	1,411,263	1,090,336
Employee benefits	2,053,322	2,160,686	2,275,114	2,348,499	2,436,076	2,568,137	2,610,552	2,592,872	2,586,759	#####
On-behalf TPAF Pension and Social Security contribution	983,157	1,265,913	1,068,741	1,217,888	1,379,896	1,507,813	1,760,106	2,028,328	2,058,729	#####
Transfer to charter schools	84,784	60,215	56,950	63,736	22,811	22,811	76,004	127,203	151,041	151,690
Capital outlay	-	220,434	70,322	26,109	22,084	226,174	299,179	683,270	398,923	655,041
Capital projects	-	-	22,670	783,008	2,724,864	4,784	90,173	-	-	-
Special revenue funds	518,132	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692	392,630
Debt service										
Principal	415,000	440,000	465,000	530,000	574,728	642,083	695,657	659,321	510,000	505,000
Interest and other charges	301,832	285,485	265,911	243,823	221,024	198,224	124,630	139,961	124,661	104,261
Total expenditures	20,156,581	20,392,742	20,471,138	22,180,344	24,495,067	21,750,175	23,026,948	23,272,717	22,178,733	21,665,615

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (deficiency) of revenues over (under) expenditures	\$ 203,573	\$ 201,333	\$ 279,072	\$ (929,551)	\$ (2,774,726)	\$ 747,304	\$ 314,519	\$ 125,098	\$ 894,709	\$ 1,431,053
Other financing sources (uses)										
Transfer in (out)	-	-	-	-	-	-	-	-	(7,800)	-
Proceeds from bond issue & refunding bond issue	-	-	-	-	-	-	3,600,000	-	-	-
Premium on bond issue	-	-	-	-	-	-	274,759	-	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	-	(3,784,586)	-	-	-
Prior year accounts receivable canceled	(51,381)	-	-	-	-	-	-	-	-	-
Prior year grant receivable canceled	(38,596)	-	-	-	-	-	-	-	-	-
Lease purchase proceeds	-	-	581,789	2,600,000	-	-	-	-	-	-
Total other financing sources (uses)	(89,977)	-	581,789	2,600,000	-	-	90,173	-	(7,800)	-
Net change in fund balances	\$ 113,596	\$ 201,333	\$ 860,861	\$ 1,670,449	\$ (2,774,726)	\$ 747,304	\$ 404,692	\$ 125,098	\$ 886,909	\$ 1,431,053
Debt service as a percentage of non-capital expenditures	3.69%	3.73%	3.72%	3.76%	3.80%	4.06%	3.76%	3.67%	3.00%	2.99%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Interest income	\$ 37	\$ 35	\$ 734	\$ 844	\$ 1,405	\$ 9,676	\$ 24,275	\$ 41,880	\$ 33,405	\$ 12,341
Tuition	-	-	-	-	1,795	146,840	210,636	288,101	210,652	106,288
Transportation	-	-	-	-	-	-	-	-	585	180
Prior year refunds	11,471	6,019	3,692	12,316	2,510	3,030	8,476	1,644	12,105	19,728
Prior year payables canceled	5,596	1,019	8,114	2,641	-	-	-	-	-	-
Void prior year checks	5,889	-	-	6,623	-	9,249	-	-	-	-
Grants/Donations	-	5,300	-	7,971	-	300	-	3,704	-	-
Building use fees	23,762	6,000	43,725	53,995	50,673	29,000	15,068	-	-	-
Energy audit program	13,625	-	-	-	-	-	-	-	-	-
E-Rate rebates	-	-	-	11,092	-	10,207	4,924	2,837	1,560	-
Book fines	305	6	205	291	208	97	60	88	137	-
ESIP Rebate	-	-	-	-	-	21,655	887	-	-	-
Prior year FEMA refunds	-	-	-	-	-	9,488	-	-	-	-
Miscellaneous	2,083	125	302	296	5,265	4,239	6,866	787	1,691	644
Annual totals	<u>\$ 62,768</u>	<u>\$ 18,504</u>	<u>\$ 56,772</u>	<u>\$ 96,069</u>	<u>\$ 61,856</u>	<u>\$ 243,781</u>	<u>\$ 271,192</u>	<u>\$ 339,041</u>	<u>\$ 260,135</u>	<u>\$ 139,181</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	\$ 18,597,300	\$ 17,876,500	\$ 13,211,100	\$ 12,883,600	\$ 11,921,300	\$ 10,256,000	\$ 9,997,600	\$ 9,808,600	\$ 9,863,900	\$ 9,295,700
Residential	833,245,800	828,498,100	660,238,600	660,580,300	661,887,900	665,387,800	668,143,500	666,771,500	668,118,700	669,047,000
Farm regular	54,572,200	53,342,400	44,767,900	44,274,300	43,811,800	42,688,700	41,191,600	42,367,700	41,420,500	41,047,900
Q farm	2,808,273	2,780,610	2,700,400	2,594,900	2,611,500	2,568,500	2,617,400	2,666,900	2,719,900	2,697,600
Commercial	36,900,400	36,352,300	31,201,100	31,196,800	30,986,700	30,965,700	30,973,800	30,973,800	30,973,800	30,973,800
Industrial	4,170,000	4,170,000	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300
Apartment	15,873,100	15,873,100	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400
Total assessed value	966,167,073	958,893,010	770,311,800	769,722,600	769,411,900	770,059,400	771,116,600	770,781,200	771,289,500	771,254,700
Public utilities (a)	2,142,576	593,543	406,852	-	-	-	-	-	-	-
Net valuation taxable	\$ 968,309,649	\$ 959,486,553	\$ 770,718,652	\$ 769,722,600	\$ 769,411,900	\$ 770,059,400	\$ 771,116,600	\$ 770,781,200	\$ 771,289,500	\$ 771,254,700
Estimated actual county equalized value	\$ 964,897,334	\$ 884,947,944	\$ 800,770,196	\$ 815,789,959	\$ 835,486,916	\$ 847,314,185	\$ 872,415,145	\$ 879,522,154	\$ 886,753,820	\$ 885,584,675
Percentage of net valuation to estimated actual equalized value	100.35%	108.42%	96.25%	94.35%	92.09%	90.88%	88.39%	87.64%	86.98%	87.09%
Regional school tax rate by constituent district (b)										
Independence Township	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79	\$ 1.82	\$ 1.90	\$ 1.89	\$ 1.93	\$ 2.06
			*							
Liberty Township	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91	\$ 1.83	\$ 1.93	\$ 1.94	\$ 1.99

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	\$ 12,211,100	\$ 11,240,300	\$ 7,238,900	\$ 7,086,400	\$ 6,480,400	\$ 6,182,900	\$ 5,846,500	\$ 5,817,800	\$ 5,797,600	\$ 5,270,100
Residential	600,488,000	595,375,400	427,583,300	428,317,600	428,718,500	432,070,000	433,039,200	433,080,200	434,099,600	435,053,700
Farm regular	29,908,200	29,659,700	21,344,100	20,818,200	20,930,400	20,007,000	19,739,000	19,683,900	19,121,500	18,936,600
Q farm	2,104,673	2,101,410	2,020,900	1,934,500	1,949,200	1,905,100	1,905,100	1,905,500	1,964,700	1,908,800
Commercial	30,030,000	29,700,500	24,811,900	24,807,600	24,597,500	24,696,900	24,705,000	24,705,000	24,626,000	24,626,000
Industrial	3,861,200	3,861,200	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500
Apartment	15,564,300	15,564,300	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600
 Total assessed value	 694,167,473	 687,502,810	 500,574,200	 500,539,400	 500,251,100	 502,437,000	 502,809,900	 502,767,500	 503,184,500	 503,370,300
 Public utilities (a)	 1,341,402	 593,543	 406,852	 -	 -	 -	 -	 -	 -	 -
 Net valuation taxable	 <u>\$ 695,508,875</u>	 <u>\$ 688,096,353</u>	 <u>\$ 500,981,052</u>	 <u>\$ 500,539,400</u>	 <u>\$ 500,251,100</u>	 <u>\$ 502,437,000</u>	 <u>\$ 502,809,900</u>	 <u>\$ 502,767,500</u>	 <u>\$ 503,184,500</u>	 <u>\$ 503,370,300</u>
 Estimated actual county equalized value	 <u>\$ 652,835,980</u>	 <u>\$ 602,188,582</u>	 <u>\$ 535,923,248</u>	 <u>\$ 558,887,226</u>	 <u>\$ 561,260,070</u>	 <u>\$ 573,427,300</u>	 <u>\$ 593,076,079</u>	 <u>\$ 593,726,382</u>	 <u>\$ 590,453,532</u>	 <u>\$ 588,806,059</u>
 Percentage of net valuation to estimated actual equalized value	 <u>106.54%</u>	 <u>114.27%</u>	 <u>93.48%</u>	 <u>89.56%</u>	 <u>89.13%</u>	 <u>87.62%</u>	 <u>84.78%</u>	 <u>84.68%</u>	 <u>85.22%</u>	 <u>85.49%</u>
 Total direct school tax rate (b)	 <u>\$ 1.12</u>	 <u>\$ 1.15</u>	 <u>\$ 1.20</u>	 <u>\$ 1.70</u>	 <u>\$ 1.79</u>	 <u>\$ 1.82</u>	 <u>\$ 1.90</u>	 <u>\$ 1.89</u>	 <u>\$ 1.93</u>	 <u>\$ 2.06</u>

*

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	\$ 6,386,200	\$ 6,636,200	\$ 5,972,200	\$ 5,797,200	\$ 5,440,900	\$ 4,073,100	\$ 4,151,100	\$ 3,990,800	\$ 4,066,300	\$ 4,025,600
Residential	232,757,800	233,122,700	232,655,300	232,262,700	233,169,400	233,317,800	235,104,300	233,691,300	234,019,100	233,993,300
Farm regular	24,664,000	23,682,700	23,423,800	23,456,100	22,881,400	22,681,700	21,452,600	22,683,800	22,299,000	22,111,300
Q farm	703,600	679,200	679,500	660,400	662,300	663,400	712,300	761,400	755,200	788,800
Commercial	6,870,400	6,651,800	6,389,200	6,389,200	6,389,200	6,268,800	6,268,800	6,268,800	6,347,800	6,347,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
Total assessed value	271,690,800	271,081,400	269,428,800	268,874,400	268,852,000	267,313,600	267,997,900	267,704,900	267,796,200	267,575,600
Public utilities (a)	801,174	-	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 272,491,974	\$ 271,081,400	\$ 269,428,800	\$ 268,874,400	\$ 268,852,000	\$ 267,313,600	\$ 267,997,900	\$ 267,704,900	\$ 267,796,200	\$ 267,575,600
Estimated actual county equalized value	\$ 312,061,354	\$ 282,759,362	\$ 264,846,948	\$ 256,902,733	\$ 274,226,846	\$ 273,886,885	\$ 279,339,066	\$ 285,795,772	\$ 296,300,288	\$ 296,778,616
Percentage of net valuation to estimated actual equalized value	87.32%	95.87%	101.73%	104.66%	98.04%	97.60%	95.94%	93.67%	90.38%	90.16%
Total direct school tax rate (b)	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91	\$ 1.83	\$ 1.93	\$ 1.94	\$ 1.99

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

Assessment Year	School District Direct Rate					Overlapping Rates		Total Direct & Overlapping Tax Rate				
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate	Municipality	County							
2012	\$	1.07	\$	0.05	\$	1.12	\$	0.31	\$	0.64	\$	2.07
2013		1.10		0.05		1.15		0.35		0.62		2.12
2014	*	1.15		0.05		1.20		0.50		0.83		2.53
2015		1.63		0.07		1.70		0.51		0.87		3.08
2016		1.72		0.07		1.79		0.54		0.86		3.19
2017		1.75		0.07		1.82		0.55		0.87		3.24
2018		1.83		0.07		1.90		0.56		0.87		3.33
2019		1.83		0.06		1.89		0.57		0.85		3.31
2020		1.87		0.06		1.93		0.58		0.82		3.33
2021		2.00		0.06		2.06		0.58		0.82		3.47

Sources: Municipal Tax Collector

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate				
					Municipality	County	
2012	\$ 1.71	\$ 0.08	\$ 1.79	\$ 0.34	\$ 0.75	\$ 2.88	
2013	1.72	0.07	1.79	0.34	0.75	2.88	
2014	1.73	0.07	1.80	0.34	0.76	2.90	
2015	1.76	0.07	1.83	0.33	0.75	2.91	
2016	1.73	0.07	1.80	0.33	0.78	2.91	
2017	1.84	0.07	1.91	0.34	0.78	3.03	
2018	1.76	0.07	1.83	0.34	0.76	2.93	
2019	1.86	0.07	1.93	0.35	0.77	3.05	
2020	1.88	0.06	1.94	0.35	0.78	3.07	
2021	1.93	0.06	1.99	0.36	0.78	3.12	

Sources: Municipal Tax Collector

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

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

See independent auditors' report.

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

	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Towpath Associates LLC	\$ 12,542,900	1	2.49%	\$ 12,100,000	1	1.74%
Extra Space Properties Eighty LLC	4,664,000	2	0.93%	-		-
Axar Properties LLC	3,854,800	3	0.77%	4,124,000	3	0.59%
Kamping LLC	1,688,000	4	0.34%	-		-
NUJA Realty Corp	1,396,600	5	0.28%	1,849,100	6	0.27%
Individual property owner #1	1,288,900	6	0.26%	1,623,431	7	0.23%
Individual property owner #2	1,023,800	7	0.20%	-		-
SMM Independence LLC	937,500	8	0.19%	-		-
Crown Atlantic Co. LLC	931,200	9	0.18%	-		-
First Hope Bank	884,600	10	0.18%	1,944,200	4	0.28%
Individual property owner	-		-	1,606,200	8	0.23%
Hackettstown Self Storage LLC	-		-	4,900,000	2	0.70%
Individual property owner	-		-	1,483,354	9	0.21%
Individual property owner	-		-	1,314,400	10	0.19%
Saloga LP	-		-	1,898,200	5	0.27%
	<u>\$ 29,212,300</u>		<u>5.80%</u>	<u>\$ 32,842,885</u>		<u>4.72%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Rapid Funding LLC	\$ 1,054,600	1	0.39%	\$ -		-
Individual property owner	647,900	2	0.24%	1,278,000	3	0.47%
Individual property owner	550,700	3	0.20%	1,148,100	4	0.42%
Individual property owner	540,000	4	0.20%	672,200	7	0.25%
Individual property owner	537,800	5	0.20%	652,600	8	0.24%
Individual property owner	525,300	6	0.19%	650,600	9	0.24%
Topp Orange LLC	504,500	7	0.19%	1,032,200	5	0.38%
Individual property owner	499,300	8	0.19%	641,400	10	0.24%
Individual property owner	494,000	9	0.18%	-		-
Individual property owner	487,200	10	0.18%	-		-
Pryslak Farms	-		-	1,436,500	2	0.53%
John E. Rogers Inc.	-		-	815,100	6	0.30%
Wooded Valley Estates II LLC	-		-	1,448,800	1	0.53%
	<u>\$ 5,841,300</u>		<u>2.16%</u>	<u>\$ 9,775,500</u>		<u>3.60%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ended June 30,	Taxes Levied for the Year		Collected within the Year of the Levy (a)	
	Township of Independence	Township of Liberty	Amount	Percentage of Levy
2012	\$ 7,827,349	\$ 4,822,537	\$ 12,649,886	100.00%
2013	8,018,233	4,881,099	12,899,332	100.00%
2014	8,266,020	4,886,829	13,152,849	100.00%
2015	8,520,575	4,934,695	13,455,270	100.00%
2016	8,932,297	4,846,435	13,778,732	100.00%
2017	9,095,701	5,121,110	14,216,811	100.00%
2018	9,533,608	4,894,546	14,428,154	100.00%
2019	9,505,968	5,170,671	14,676,639	100.00%
2020	9,730,712	5,179,994	14,910,706	100.00%
2021	9,889,180	5,457,784	15,346,964	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Activities Capital Leases			
2012	\$ 6,600,000	\$ -	\$ -	\$ -	\$ -	\$ 6,600,000	1.69%	\$ 773
2013	6,160,000	-	-	-	-	6,160,000	1.54%	727
2014	5,695,000	-	581,789	-	-	6,276,789	1.57%	747
2015	5,215,000	-	3,131,789	-	-	8,346,789	2.02%	994
2016	4,735,000	-	2,931,208	-	-	7,666,208	1.79%	916
2017	4,235,000	-	2,592,654	-	-	6,827,654	1.58%	822
2018	3,570,000	-	2,249,058	-	-	5,819,058	1.31%	703
2019	3,060,000	-	1,951,803	-	-	5,011,803	1.09%	607
2020	2,550,000	-	1,795,559	-	-	4,345,559	0.91%	528
2021	2,045,000	-	1,666,083	-	-	3,711,083	N/A	451

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2012	\$ 6,600,000	\$ -	\$ 6,600,000	0.68%	\$ 773
2013	6,160,000	-	6,160,000	0.64%	727
2014	5,695,000	-	5,695,000	0.74%	678
2015	5,215,000	-	5,215,000	0.68%	621
2016	4,735,000	-	4,735,000	0.62%	566
2017	4,235,000	-	4,235,000	0.55%	510
2018	3,570,000	-	3,570,000	0.46%	431
2019	3,060,000	-	3,060,000	0.40%	370
2020	2,550,000	-	2,550,000	0.33%	310
2021	2,045,000	-	2,045,000	0.27%	249

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Township of Independence	\$ 595,000	100%	\$ 595,000
Township of Liberty	106,100	100%	106,100
County general obligation debt	1,765,000	8%	<u>140,747</u>
Subtotal, overlapping debt			841,847
School district direct debt	2,550,000	100%	<u>2,549,999</u>
Total direct and overlapping debt			<u><u>\$ 3,391,846</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis
2020	\$ 885,612,016
2019	886,163,480
2018	879,885,026
	<u>\$ 2,651,660,522</u>
Average equalized valuation of taxable property	<u>\$ 883,886,841</u>
Debt limit (3.0% of average equalization value)	\$ 26,516,605
Total net debt applicable to limit	<u>2,045,000</u>
Legal debt margin	<u>\$ 24,471,605</u>

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt limit	\$ 24,985,874	\$ 25,534,909	\$ 25,975,427	\$ 26,373,105	\$ 26,516,605
Total net debt applicable	<u>4,235,000</u>	<u>3,570,000</u>	<u>3,060,000</u>	<u>2,550,000</u>	<u>2,045,000</u>
Legal debt margin	<u>\$ 20,750,874</u>	<u>\$ 21,964,909</u>	<u>\$ 22,915,427</u>	<u>\$ 23,823,105</u>	<u>\$ 24,471,605</u>
Total net debt applicable to the limit as a percentage of debt limit	16.95%	13.98%	11.78%	9.67%	7.71%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 30,201,653	\$ 28,613,919	\$ 26,905,847	\$ 25,420,239	\$ 24,870,352
Total net debt applicable	<u>6,600,000</u>	<u>6,160,000</u>	<u>5,695,000</u>	<u>5,215,000</u>	<u>4,735,000</u>
Legal debt margin	<u>\$ 23,601,653</u>	<u>\$ 22,453,919</u>	<u>\$ 21,210,847</u>	<u>\$ 20,205,239</u>	<u>\$ 20,135,352</u>
Total net debt applicable to the limit as a percentage of debt limit	21.85%	21.53%	21.17%	20.52%	19.04%

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

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

See independent auditors' report.

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

Year	Township of Independence Population (a)	Township of Liberty Population (a)	Township of Independence Personal Income (b)	Township of Liberty Personal Income (b)	Per Capita Personal Income (c)	Township of Independence Unemployment Rate (d)	Township of Liberty Unemployment Rate (d)
2012	5,609	2,931	\$ 256,920,245	\$ 134,254,455	\$ 45,805	3.0%	9.7%
2013	5,571	2,902	262,388,529	136,681,298	47,099	5.6%	6.9%
2014	5,530	2,872	263,261,180	136,724,432	47,606	6.1%	6.3%
2015	5,530	2,867	272,142,360	141,090,804	49,212	5.1%	5.7%
2016	5,513	2,855	281,967,898	146,021,830	51,146	4.0%	4.3%
2017	5,470	2,836	284,472,820	147,489,016	52,006	3.6%	4.2%
2018	5,452	2,823	292,603,388	151,507,587	53,669	3.2%	3.8%
2019	5,440	2,821	301,637,120	156,418,808	55,448	2.9%	3.1%
2020	5,421	2,813	313,626,534	162,743,302	57,854	7.8%	8.1%
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources:

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

See independent auditors' report.

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

2021

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2012

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	65.6	65.6	65.6	65.6	65.6	65.6	65.6	64.0	45.0	43.0
Special education	17.6	17.6	17.6	14.6	14.6	14.6	15.6	18.0	41.0	39.4
Support services										
Student and instruction related services	17.6	23.0	23.0	23.0	23.0	23.0	23.0	27.0	19.3	17.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.7
School administration services	6.0	6.0	7.0	7.0	7.0	7.0	7.0	6.7	6.7	4.7
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.7
Plant operations and maintenance	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.4	11.3	9.6
Pupil transportation	1.0	-	-	-	-	-	-	-	-	-
Total	<u>125.8</u>	<u>130.2</u>	<u>131.2</u>	<u>127.2</u>	<u>127.2</u>	<u>127.2</u>	<u>128.2</u>	<u>132.1</u>	<u>127.9</u>	<u>119.1</u>

Source: District Personnel Records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	873	\$ 19,439,749	\$ 22,268	3.05%	85	1 to 10	870.7	833.3	-1.95%	95.70%
2013	851	19,446,823	22,852	2.62%	85	1 to 10	846.1	809.9	-2.83%	95.72%
2014	811	19,647,235	24,226	6.01%	85	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85	1 to 9	754.9	723.8	-6.00%	95.88%
2016	714	20,952,367	29,345	8.28%	85	1 to 8	711.0	683.4	-5.82%	96.12%
2017	714	20,678,910	28,962	-1.31%	85	1 to 8	713.8	685.3	0.39%	96.01%
2018	690	21,817,309	31,619	9.17%	86	1 to 8	692.3	659.6	-3.01%	95.28%
2019	660	21,790,165	33,015	4.42%	82	1 to 8	651.5	615.7	-5.90%	94.51%
2020	638	21,145,149	33,143	0.39%	67	1 to 10	631.8	603.8	-3.02%	95.57%
2021	616	20,401,313	33,119	-0.07%	65	1 to 9	612.8	589.5	-3.02%	96.20%

Source: District Records

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

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

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

See independent auditors' report.

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary										
Liberty School (1972)										
Square feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (students)	296	296	296	296	296	296	296	296	296	296
Enrollment	313	294	287	262	240	219	225	197	-	-
Central School (1918)										
Square feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	247	233	229	200	199	221	205	218	287	282
Middle										
Great Meadows Middle School (1998)										
Square feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (students)	564	564	564	564	564	564	564	564	564	564
Enrollment	313	322	296	297	279	269	260	245	345	337
Number of schools at June 30, 2021										
Elementary	2									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ended	School Facilities*			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2012	\$ 64,003	\$ 56,370	\$ 93,334	\$ 213,707
2013	88,513	82,517	74,093	245,123
2014	58,306	51,767	111,719	221,792
2015	48,322	70,541	68,444	187,307
2016	53,500	47,292	65,675	166,467
2017	64,943	52,784	94,075	211,802
2018	69,175	79,334	98,483	246,992
2019	81,549	105,186	68,414	255,149
2020	30,340	133,508	115,264	279,112
2021	30,300	207,103	80,188	317,591
Total school facilities	<u>\$ 588,951</u>	<u>\$ 886,402</u>	<u>\$ 869,689</u>	<u>\$ 2,345,042</u>

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

Source: District Records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
(Unaudited)

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

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Great Meadows Regional School District, County of Warren, the State of New Jersey, (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 16, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

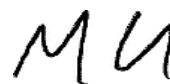
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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



BKC, CPAs, PC



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

February 16, 2022
Flemington, New Jersey



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

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Great Meadows Regional School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The District's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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



BKC, CPAs, PC



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

February 16, 2022
Flemington, New Jersey

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2021

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/20	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2021		
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Homeland Security															
General Fund															
FEMA	97.036	Not Available	FEMA-1785-21	\$ 19,699	07/01/20	06/30/21	\$ -	\$ -	\$ 19,699	\$ 19,699	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education															
Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027	H027A200100	IDEA-1785-21	202,292	07/01/20	06/30/21	-	-	143,734	179,542	-	-	(35,808)	-	-
IDEA Basic	84.027	H027A190100	IDEA-1785-20	199,612	07/01/19	06/30/20	(252)	-	252	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A190114	IDEA-1785-20	10,317	07/01/19	06/30/20	(10,315)	-	10,315	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A200114	IDEA-1785-21	5,108	07/01/20	06/30/21	-	-	4,100	4,100	-	-	-	-	-
Total special education cluster (IDEA)							(10,567)	-	158,401	183,642	-	-	(35,808)	-	-
ESSA Title I A	84.010A	S020A190030	ESSA-1785-20	79,632	07/01/19	06/30/20	(14,463)	-	14,463	-	-	-	-	-	-
ESSA Title I A	84.010A	S020A200030	ESSA-1785-21	83,339	07/01/20	06/30/21	-	-	47,117	65,577	-	-	(18,460)	-	-
ESSA Title II A	84.367A	S367A200029	ESSA-1785-21	25,341	07/01/20	06/30/21	-	-	2,779	16,808	-	-	(14,029)	-	-
ESSA Title IV A	84.424	S424A190031	ESSA-1785-20	13,686	07/01/19	06/30/20	1,596	-	336	-	-	-	-	1,932	-
ESSA Title IV A	84.424	S424A200031	ESSA-1785-21	13,142	07/01/20	06/30/21	-	-	-	8,684	-	-	(8,684)	-	-
CARES Emergency Relief	84.425D	S425D200027	CARES-1785-22	57,201	03/13/20	09/30/22	-	-	54,330	58,401	-	-	(4,071)	-	-
Coronavirus Relief Fund	84.425	S425D200027	CARES-1785-21	36,150	07/01/20	06/30/21	-	-	36,150	36,060	-	-	-	90	-
Total Special Revenue Fund							(23,434)	-	313,576	369,172	-	-	(81,052)	2,022	-
U.S. Department of Agriculture passed through State Department of Agriculture															
Enterprise Fund															
Child Nutrition Cluster															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	13,661	10/01/19	09/30/20	2,028	-	-	2,028	-	-	-	-	-
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	8,787	10/01/20	09/30/21	-	-	8,787	4,541	-	-	-	4,246	-
National School Lunch Program															
Cash Assistance	10.555	201NJ304N1099	N/A	35,934	10/01/19	09/30/20	(3,663)	-	3,663	-	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	211NJ304N1099	N/A	94,841	10/01/20	09/30/21	-	-	81,722	94,841	-	-	(13,119)	-	-
Total Enterprise Fund							(1,635)	-	94,172	101,410	-	-	(13,119)	4,246	-
Total Federal Awards							\$ (25,069)	\$ -	\$ 427,447	\$ 490,281	\$ -	\$ -	\$ (94,171)	\$ 6,268	\$ -

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2021

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2021			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	21-495-034-5120-014	\$ 147,093	07/01/20	06/30/21	\$ -	\$ -	\$ 132,391	\$ 147,093	\$ -	\$ -	\$ -	\$ -	\$ 14,702	\$ 147,093
Equalization Aid	21-495-034-5120-078	3,297,471	07/01/20	06/30/21	-	-	2,967,897	3,297,471	-	-	-	-	329,574	3,297,471
Special Education Aid	21-495-034-5120-089	763,471	07/01/20	06/30/21	-	-	687,164	763,471	-	-	-	-	76,307	763,471
Security Aid	21-495-034-5120-084	105,232	07/01/20	06/30/21	-	-	94,714	105,232	-	-	-	-	10,518	105,232
Extraordinary Special Education Costs Aid	20-495-034-5120-044	193,917	07/01/19	06/30/20	(176,262)	-	193,917	17,655	-	-	-	-	-	193,917
Extraordinary Special Education Costs Aid	21-495-034-5120-044	266,545	07/01/20	06/30/21	-	-	-	266,545	-	(266,545)	-	-	-	266,545
Non-Public Transportation Aid	21-495-034-5120-014	6,670	07/01/20	06/30/21	-	-	-	6,670	-	(6,670)	-	-	-	6,670
On-Behalf TPAF Pension Contribution - Post Retirement Medical	21-495-034-5094-001	475,320	07/01/20	06/30/21	-	-	475,320	475,320	-	-	-	-	-	475,320
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	21-495-034-5094-004	28,319	07/01/20	06/30/21	-	-	28,319	28,319	-	-	-	-	-	28,319
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	21-495-034-5094-002	1,488,413	07/01/20	06/30/21	-	-	1,488,413	1,488,413	-	-	-	-	-	1,488,413
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	21-495-034-5094-004	998	07/01/20	06/30/21	-	-	998	998	-	-	-	-	-	998
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	368,803	07/01/20	06/30/21	-	-	368,803	368,803	-	-	-	-	-	368,803
Total General Fund					(176,262)	-	6,437,936	6,965,990	-	(273,215)	-	-	431,101	7,142,252
Debt Service Fund														
Debt Service Aid - State Support	21-495-034-5120-017	155,079	07/01/20	06/30/21	-	-	155,079	155,079	-	-	-	-	-	155,079
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	20-100-010-3350-023	1,434	07/01/19	06/30/20	(56)	-	56	-	-	-	-	-	-	1,434
State School Lunch Program	21-100-010-3350-023	5,663	07/01/20	06/30/21	-	-	4,731	5,663	-	(932)	-	-	-	5,663
Total Enterprise Fund					(56)	-	4,787	5,663	-	(932)	-	-	-	7,097

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2021

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjust- ments	Balance June 30, 2021			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (176,318)</u>	<u>\$ -</u>	<u>\$ 6,597,802</u>	\$ 7,126,732	<u>\$ -</u>	<u>\$ (274,147)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,101</u>	<u>\$ 7,304,428</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	21-495-034-5094-002							1,488,413						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	21-495-034-5094-004							28,319						
On-Behalf TPAF Pension Contribution - Postretirement Medical	21-495-034-5094-001							475,320						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	21-495-034-5094-004							998						
Total for State Financial Assistance - Major Program Determination								<u>\$ 5,133,682</u>						

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Great Meadows Regional School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$83,738 for the general fund and \$(9,463) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 3 - Relationship to basic financial statements (continued)

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

	Local	Federal	State	Total
General fund	\$ -	\$ 19,699	\$ 7,049,728	\$ 7,069,427
Special revenue fund	7,439	359,709	-	367,148
Debt service fund	-	-	155,079	155,079
Food service fund	-	101,410	5,663	107,073
Total awards and financial assistance	<u>\$ 7,439</u>	<u>\$ 480,818</u>	<u>\$ 7,210,470</u>	<u>\$ 7,698,727</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2021.

Note 6 - Indirect Costs

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

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

Noncompliance material to basic
financial statements noted?

 Yes X No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

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

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

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

 Yes No

Identification of Major Programs:

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

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

Did the auditee qualify as a low-risk auditee?

 Yes No

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

State Awards

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

\$750,000

Did the auditee qualify as a low-risk auditee?

X Yes ___ No

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

___ Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses?

___ Yes X None reported

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

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?

___ Yes X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>21-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>21-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>21-495-034-5120-084</i>	<i>Security Aid</i>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2021**

Status of Prior Year Findings

There were no prior year findings or questioned costs.