

**CITY OF SALEM  
SCHOOL DISTRICT**



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

**CITY OF SALEM SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**

# Salem City School District

205 Walnut Street  
Salem, New Jersey 08079  
Telephone 856.935.3800 Fax 856.935.4753

**Dr. Amiot Patrick Michel**  
*Superintendent*

**Herbert Schectman**  
*Business Administrator*

**Dr. Meghan Taylor**  
*Director of Special Services*

March 14, 2022

Honorable President and Members of the Board of Education  
Board of Education of the Salem City School District  
County of Salem, New Jersey

The annual comprehensive financial report of the Salem City School District (District) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## 1. Reporting Entity And Its Services:

Salem City School District is an independent reporting entity as established by GASB Statement No. 14, as amended. All funds of the District are included in this report. The Salem City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and special education services for children. The District completed the 2020-2021 fiscal year with an enrollment of 1,303 students, which represents an increase of 68 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five fiscal years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2020-2021	1,303	5.51%
2019-2020	1,235	0.24%
2018-2019	1,232	5.48%
2017-2018	1,168	2.62%
2016-2017	1,138	(0.52)%

## **2. Economic Condition and Outlook:**

The Salem City community has not experienced any significant population or business growth in the past decade. Salem is an economically devastated area and dozens of businesses have closed down, thereby not only depressing the real estate market, but also putting pressure on the tax ratables. The economic outlook does not look bright in the foreseeable future, as there are very few avenues of business growth available to the community at present.

## **3. Major Initiatives:**

Discussions are in progress regarding a new elementary school. This project would be funded by the School Development Authority (SDA) and restructured to include PK through 8<sup>th</sup> grade.

The District continued to participate in the consortia to purchase janitorial supplies, electricity, natural gas and transportation. The District also continued to provide shared services to our sending districts for Cafeteria.

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 20-21 fiscal year. The District had sent out a Request for Proposals at the end of the prior year for the 20-21 fiscal year and the lowest responsible bidder was Metz Food Management.

The District has awarded several service contracts with nationally known professional development providers. These providers have designed customized, sustainable professional development to our staff throughout the year and beyond.

We are proud that Salem High School continues to be an International Baccalaureate (IB) World School. The prestigious IB Diploma program is designed to develop inquiring, knowledgeable, and caring young people who help to create a better more peaceful world through intercultural understanding and respect. The IB program consists of a rigorous pre-university curriculum, leading to examinations which meet the needs of highly motivated students. Participants are expected to complete curricula and assessment activities that are coordinated and evaluated by international assessors and are measured against pre-established international standards. The number of students enrolled in the IB program has increased each year.

We have continued Project Lead the Way (PLTW) and have an Articulation Agreement with Rowan University Engineering Department. In PLTW Engineering, students engage in open-ended problem solving, learn and apply the engineering design process, and use the same industry-leading technology and software as are used in the world's top companies. Students investigate topics such as aerodynamics and astronautics, biological engineering and sustainability, and digital electronics and circuit design, which gives them an opportunity to learn about different engineering disciplines before beginning post-secondary education or careers. Schools offer a minimum of three courses by the end of the third year of implementation: Introduction to Engineering Design, Principles of Engineering, and any specialization course or the capstone course. Introduction to Engineering Design includes students digging deep into the engineering design process, applying math, science, and engineering standards to hands-on projects. The students work both individually and in teams to design solutions to a variety of problems using 3D modeling software, and use an engineering notebook to document their work. Principles of Engineering include problems that engage and challenge. Students explore a broad range of engineering topics, including mechanisms, the strength of structures and materials, and automation. Students develop skills in problem solving, research, and design while learning strategies for design process documentation, collaboration, and presentation.

## **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 requires estimates and judgments by management.

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

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

**5. Budgetary Controls:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned 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. These funds are explained in "Notes to the Financial Statements", Note 1.

**7. Cash Management:**

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from 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.

**8. Risk Management:**

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

**9. Other Information:**

**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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.

**10. Acknowledgements:**

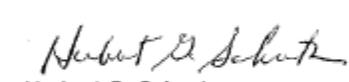
We would like to express our appreciation to the members of the Salem City Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



Dr. Amiot Michel,  
Superintendent

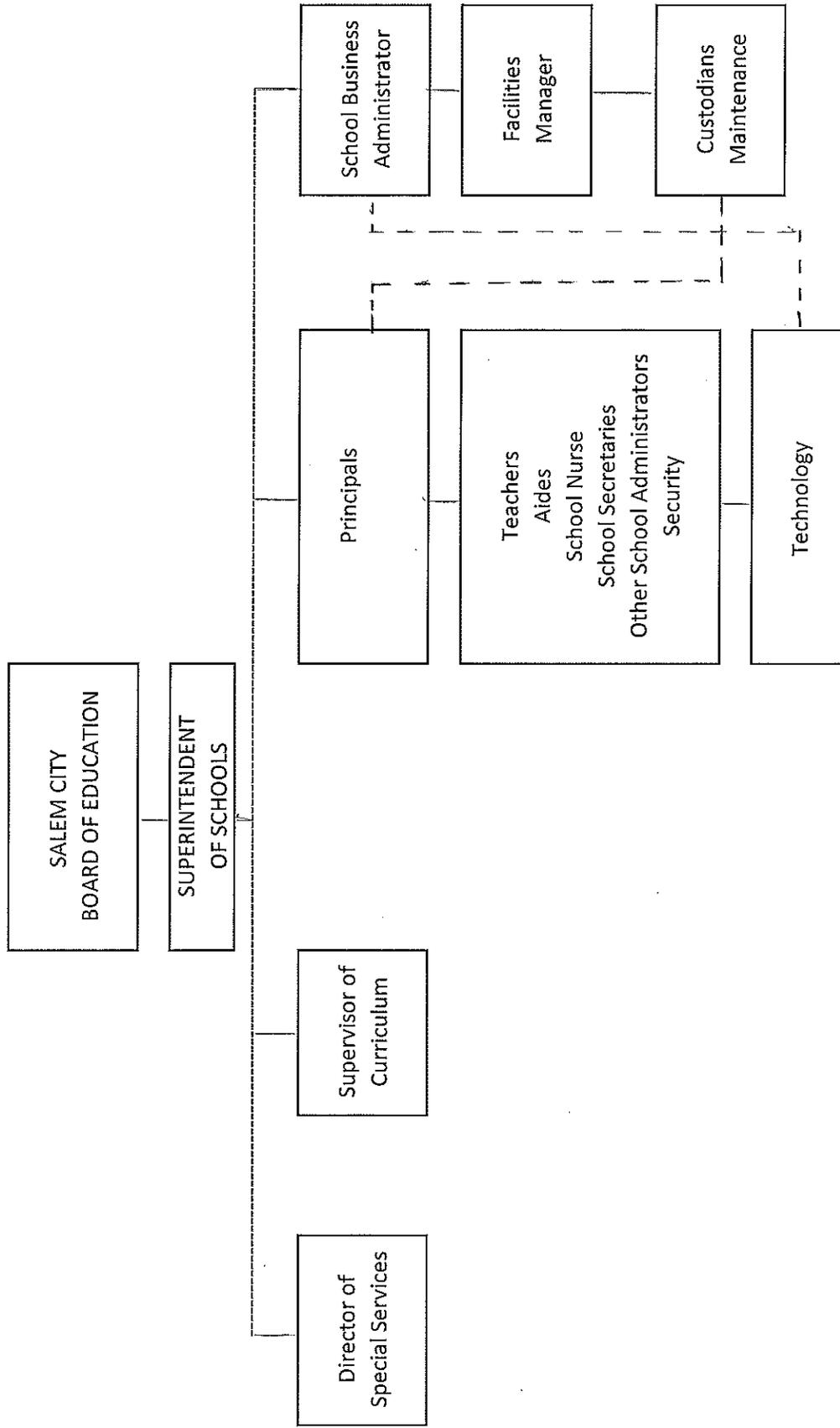
Respectfully submitted,



Herbert G. Schectman,  
School Business Administrator

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT



**CITY OF SALEM SCHOOL DISTRICT**  
**SALEM, NEW JERSEY**  
**JUNE 30, 2021**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Yuenge Groce, President	2022
Carol Adams, Vice President	2021
Kendra Fletcher	2023
Daffonie Moore	2023
Joan Hoolahan	2021
Nilda Wilkins	2022
Christopher Colon	2021
Laquendala Bentley	2022
Veronica Wright	2022
<b><u>Sending District Members</u></b>	
William McDonald, Quinton	2021
Eric Buzby, Mannington	2021
Laura Tice-Crane, Lower Alloways Creek	2021
<b><u>Other Officials</u></b>	
Dr. Amiot Michel, Chief School Administrator	
Herbert Schectman, Board Secretary/School Business Administrator	
Linda Jones, Treasurer of School Monies (retired 6/30/21)	
Corey Ahart, Solicitor	

**CITY OF SALEM SCHOOL DISTRICT**  
CONSULTANTS AND ADVISORS  
JUNE 30, 2021

**Audit Firm**

Bowman & Company LLP  
6 North Broad Street, Suite 201  
Woodbury, NJ 08096

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**Insurance Agent**

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Marlton, NJ 08053

**Doctor**

Joseph LaCavera, III, D.O.  
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**Architect**

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Regan Young England Butera, PC  
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Mt. Holly, NJ 08060

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
City of Salem School District  
Salem, New Jersey

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

**25800**

***Emphasis of Matter***

*Adoption of New Accounting Principle*

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

*Consistency of Financial Statements*

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

*Prior Period Restatement*

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, and statement of revenues, expenses, and changes in fund net position have been restated, as discussed in note 22 to the financial statements. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

25800

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022 on our consideration of the City of Salem School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Salem School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Salem School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
March 14, 2022

Exhibit K-1

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
City of Salem School District  
Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 14, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as Finding No. 2021-001 that we consider to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Salem School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2021-002.

### The City of Salem School District's Response to Findings

The City of Salem School District's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
March 14, 2022

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

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This section of the City of Salem School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes to the financial statements, which immediately follow this section.

## **Financial Highlights**

Financial Highlights for fiscal year 2021:

- During the fiscal year ended June 30, 2021, the School District continued through the public health emergency which altered a lot of the district's operations. The full impact of the emergency on the District has yet to be realized, but it continuing to be assessed.
- The School District implemented GASB 84, which resulted in the Fiduciary Funds of the School District being accounted for in the General Fund and Special Revenue Fund and required a prior period adjustment.

## **Overview of the Financial Statements**

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

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

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

**CITY OF SALEM SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

Figure A-1  
Major Features of Government-Wide and Fund Financial Statements

	<b>Government-wide</b>	<b>Fund Financial Statements</b>	
	<b>Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire district	The activities of the district that are not proprietary such as special education and building maintenance	Activities the district operates similar to private businesses: food services and maintenance consultant
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in fund net position -Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Government-Wide Statements**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

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**Government-Wide Statements (Cont'd)**

The two government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program and maintenance consultant service is included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them.
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow. *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs.

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

**FINANCIAL ANALYSIS OF THE DISTRICT**

**Net position.** The District's *combined* total net position is \$1,469,254.86 on June 30, 2021.

<b>CITY OF SALEM SCHOOL DISTRICT'S NET POSITION</b>						
	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 599,035.04	\$ 365,152.37	\$ 719,964.42	\$ 612,794.77	\$ 1,318,999.46	\$ 977,947.14
Capital Assets	9,884,520.44	10,465,655.41	196,680.84	209,680.83	10,081,201.28	10,675,336.24
<b>Total Assets</b>	<b>10,483,555.48</b>	<b>10,830,807.78</b>	<b>916,645.26</b>	<b>822,475.60</b>	<b>11,400,200.74</b>	<b>11,653,283.38</b>
Deferred Outflows	889,873.00	1,127,993.00	-	-	889,873.00	1,127,993.00
Current Liabilities	892,096.35	1,549,893.09	315,140.22	351,622.63	1,207,236.57	1,901,515.72
Noncurrent Liabilities	6,817,671.31	7,532,278.42	-	-	6,817,671.31	7,532,278.42
<b>Total Liabilities</b>	<b>7,709,767.66</b>	<b>9,082,171.51</b>	<b>315,140.22</b>	<b>351,622.63</b>	<b>8,024,907.88</b>	<b>9,433,794.14</b>
Deferred Inflows	2,795,911.00	2,949,138.00	-	-	2,795,911.00	2,949,138.00
Net Investment in Capital Assets	9,145,617.63	9,479,197.30	196,680.84	209,680.83	9,342,298.47	9,688,878.13
Restricted	207,351.36	207,002.70			207,351.36	207,002.70
Unrestricted (Deficit)	(8,485,219.17)	(9,758,708.73)	404,824.20	261,172.14	(8,080,394.97)	(9,497,536.59)
<b>Total Net Position (Deficit)</b>	<b>\$ 867,749.82</b>	<b>\$ (72,508.73)</b>	<b>\$ 601,505.04</b>	<b>\$ 470,852.97</b>	<b>\$ 1,469,254.86</b>	<b>\$ 398,344.24</b>

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

**FINANCIAL ANALYSIS OF THE DISTRICT (CONT'D)**

**Changes in net position.** The District's total revenues are \$36,308,019.91 for the fiscal period ended June 30, 2021. The federal and state aid not restricted accounted for 41.12% of the District's revenue, 46.40% is derived from state and federal aid for specific programs, 7.13% is derived from property taxes, and the remainder, 5.35% from fees charged for services and miscellaneous resources.

<b>CITY OF SALEM SCHOOL DISTRICT'S CHANGE IN NET POSITION</b>							
	Governmental Activities		Business-Type Activities			Total	
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,866,799.00	\$ 2,259,502.51	\$ 28,015.76	\$ 75,105.46	\$ 1,894,814.76	\$ 2,334,607.97	
Operating Grants and Contributions	15,979,208.16	14,219,127.60	867,727.11	851,483.66	16,846,935.27	15,070,611.26	
General Revenues:							
Property Taxes	2,587,772.04	2,544,134.00			2,587,772.04	2,544,134.00	
Grants and Contributions	14,931,098.63	15,024,779.98			14,931,098.63	15,024,779.98	
Other	47,349.96	57,954.59	49.25	195.65	47,399.21	58,150.24	
Cancellation		(133,736.02)				(133,736.02)	
<b>Total Revenues</b>	<b>35,412,227.79</b>	<b>33,971,762.66</b>	<b>895,792.12</b>	<b>926,784.77</b>	<b>36,308,019.91</b>	<b>34,898,547.43</b>	
Expenses:							
Instruction	11,505,864.77	10,999,384.13			11,505,864.77	10,999,384.13	
Support Services	23,071,145.93	22,405,789.70			23,071,145.93	22,405,789.70	
Other	35,599.46	45,029.24			35,599.46	45,029.24	
Food Service			765,140.05	969,634.04	765,140.05	969,634.04	
<b>Total Expenses</b>	<b>34,612,610.16</b>	<b>33,450,203.07</b>	<b>765,140.05</b>	<b>969,634.04</b>	<b>35,377,750.21</b>	<b>34,419,837.11</b>	
Change in Net Position	799,617.63	521,559.59	130,652.07	(42,849.27)	930,269.70	478,710.32	
Beginning Net Position (Deficit)	(72,508.73)	(594,068.32)	470,852.97	513,702.24	398,344.24	(80,366.08)	
Ending Net Position Prior to Restatement	727,108.90	(72,508.73)	601,505.04	470,852.97	1,328,613.94	398,344.24	
Prior Period Adjustments	140,640.92	-	-	-	140,640.92	-	
<b>Ending Net Position (Deficit)</b>	<b>\$ 867,749.82</b>	<b>\$ (72,508.73)</b>	<b>\$ 601,505.04</b>	<b>\$ 470,852.97</b>	<b>\$ 1,469,254.86</b>	<b>\$ 398,344.24</b>	

The District's total expenses are \$35,377,750.21 for the fiscal period ended June 30, 2021. Instruction accounted for 32.52% of the District's expenses, 65.21% is comprised of support services and 2.26% is related to other and business type expenses.

**Governmental Activities**

Revenues for the District's governmental activities amounted to \$35,412,227.79 while total expenses amounted to \$34,612,610.16. This resulted in an increase in net position in governmental activities of \$799,617.63 for the 2021 fiscal year.

The increase in Governmental Activities net position was primarily related to a conservative effort by the School District to lower expenses to offset the deficit incurred in 2019 and 2020 as part of the district's corrective action plan and savings recognized during the public health emergency.

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

**FINANCIAL ANALYSIS OF THE DISTRICT (CONT'D)**

**Business-type Activities**

Revenues of the District's business-type activities amounted to \$895,792.12 and expenses were \$765,140.05. Food service revenues exceeded expenses by \$130,652.07 for the 2021 fiscal year.

**General Fund Budgetary Highlights**

The District's final 20-21 budget anticipated utilized no fund balance to fund a portion of the appropriation plan for this fiscal period.

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$87,861.69, an increase of \$725,634.09 in comparison with the prior year.

Of the combined ending fund balances of \$87,861.69, (\$1,063,984.30) constitutes unassigned fund balance deficits. The remainder of fund balance of \$1,151,845.99 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary fund had a net position of \$601,505.04, of which, \$404,824.20 constitutes unrestricted net position.

**CAPITAL ASSETS**

**Capital Assets**

Actual expenditures for capital outlay totaled \$250,187.23 in the Governmental Funds. Capital outlay expenditures consist of numerous projects throughout the district and various equipment purchases. The primary expenditures for fiscal year 2021 were for completion signs at each of the schools, locker room improvements, and athletic venue improvements.

By the end of fiscal year 2021, the District had invested a net amount of \$9,884,520.44 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment, administrative offices, HVAC systems, science labs and security cameras. (Detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the fiscal year was \$844,322.19.

<b>CITY OF SALEM SCHOOL DISTRICT'S INVESTMENT IN CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Land	\$ 563,650.00	\$ 563,650.00			\$ 563,650.00	\$ 563,650.00	
Construction in Progress	1,968,949.91	1,968,949.91			1,968,949.91	1,968,949.91	
Land Improvements	1,717,230.63	1,643,655.30			1,717,230.63	1,643,655.30	
Building Improvements	5,475,663.34	6,049,204.64			5,475,663.34	6,049,204.64	
Equipment	159,026.56	240,195.56	\$ 196,680.84	\$ 209,680.83	355,707.40	449,876.39	
<b>Total</b>	<b>\$ 9,884,520.44</b>	<b>\$ 10,465,655.41</b>	<b>\$ 196,680.84</b>	<b>\$ 209,680.83</b>	<b>\$ 10,081,201.28</b>	<b>\$ 10,675,336.24</b>	

**CITY OF SALEM SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

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**DEBT ADMINISTRATION**

**Long-term Debt**

The District has the authority to issue bonds. On February 15, 1999, the District authorized \$4,989,000.00 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000.00 producing a total present value savings of \$115,352.07. The current outstanding principal on these bonds is \$735,000.00.

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.
- The deferment of the nineteenth and twentieth state aid payments leaves the District in a precarious budgetary position regarding future budgets. The District was required to borrow moneys due to the delay in state aid payments.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Salem City School District, 205 Walnut Street, Suite 408, Salem, NJ 08079.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF SALEM SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 458,270.82	\$ 44,447.98	\$ 502,718.80
Investments	19,184.92		19,184.92
Internal Balances	(500,446.45)	500,446.45	
Receivables, net	622,025.75	159,949.59	781,975.34
Inventory		15,120.40	15,120.40
Capital Assets, net	9,884,520.44	196,680.84	10,081,201.28
<b>Total Assets</b>	<b>10,483,555.48</b>	<b>916,645.26</b>	<b>11,400,200.74</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 10)	889,873.00	-	889,873.00
<b>LIABILITIES:</b>			
Accounts Payable	173,889.04	315,140.22	489,029.26
Accounts Payable - Pension	368,983.00		368,983.00
Accrued Interest	11,940.00		11,940.00
Unearned Revenue	220,602.97		220,602.97
Intergovernmental Accounts Payable	116,681.34		116,681.34
Noncurrent Liabilities:			
Due within One Year	322,914.55		322,914.55
Due beyond One Year	6,494,756.76		6,494,756.76
<b>Total Liabilities</b>	<b>7,709,767.66</b>	<b>315,140.22</b>	<b>8,024,907.88</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 10)	2,795,911.00		2,795,911.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	9,145,617.63	196,680.84	9,342,298.47
Restricted:			
Debt Service	2.94		2.94
Scholarship Fund	77,534.22		77,534.22
Uniform Trust	267.83		267.83
Student Activity / Athletics Fund	47,546.37		47,546.37
Other Purposes	82,000.00		82,000.00
Unrestricted (Deficit)	(8,485,219.17)	404,824.20	(8,080,394.97)
<b>Total Net Position</b>	<b>\$ 867,749.82</b>	<b>\$ 601,505.04</b>	<b>\$ 1,469,254.86</b>

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

**CITY OF SALEM SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 9,420,361.87	\$ 1,866,799.00	\$ 2,874,728.59	\$ (4,678,834.28)		\$ (4,678,834.28)
Special Education	1,222,282.68			(1,222,282.68)		(1,222,282.68)
Vocational	388,719.96			(388,719.96)		(388,719.96)
Other Instruction	474,500.26			(474,500.26)		(474,500.26)
Support Services:						
Tuition	1,970,389.32			(1,970,389.32)		(1,970,389.32)
Student and Instruction Related Services	4,998,678.44		2,801,359.73	(2,197,318.71)		(2,197,318.71)
School Administrative Services	1,348,234.71			(1,348,234.71)		(1,348,234.71)
General and Business Administrative Services	1,325,757.07			(1,325,757.07)		(1,325,757.07)
Plant Operations and Maintenance	1,632,758.38			(1,632,758.38)		(1,632,758.38)
General Unallocated Depreciation	36,883.74			(36,883.74)		(36,883.74)
Pupil Transportation	580,276.36			(580,276.36)		(580,276.36)
Unallocated Benefits	11,178,167.91		10,114,977.84	(1,063,190.07)		(1,063,190.07)
Other:						
Interest on Long-Term Debt	35,599.46		188,142.00	152,542.54		152,542.54
<b>Total Governmental Activities</b>	<b>34,612,610.16</b>	<b>1,866,799.00</b>	<b>15,979,208.16</b>	<b>(16,766,603.00)</b>	<b>-</b>	<b>(16,766,603.00)</b>
<b>Business-Type Activities:</b>						
Food Service	765,140.05	28,015.76	867,727.11		\$ 130,602.82	130,602.82
<b>Total Business-Type Activities</b>	<b>765,140.05</b>	<b>28,015.76</b>	<b>867,727.11</b>	<b>-</b>	<b>130,602.82</b>	<b>130,602.82</b>
<b>Total Government</b>	<b>\$ 35,377,750.21</b>	<b>\$ 1,894,814.76</b>	<b>\$ 16,846,935.27</b>	<b>(16,766,603.00)</b>	<b>130,602.82</b>	<b>(16,636,000.18)</b>
<b>General Revenues:</b>						
Property Taxes:						
Property Taxes, Levied for General Purposes				2,488,970.04		2,488,970.04
Property Taxes, Levied for Debt Service				98,802.00		98,802.00
Federal and State Aid not Restricted				14,931,098.63		14,931,098.63
Interest and Investment Revenue					49.25	49.25
Miscellaneous Income				47,349.96		47,349.96
<b>Total General Revenues</b>				<b>17,566,220.63</b>	<b>49.25</b>	<b>17,566,269.88</b>
<b>Change in Net Position</b>				<b>799,617.63</b>	<b>130,652.07</b>	<b>930,269.70</b>
<b>Net Position (Deficit) -- July 1</b>				<b>(72,508.73)</b>	<b>470,852.97</b>	<b>398,344.24</b>
<b>Prior Period Adjustments</b>				<b>140,640.92</b>		<b>140,640.92</b>
<b>Net Position -- July 1 (Restated)</b>				<b>68,132.19</b>	<b>470,852.97</b>	<b>538,985.16</b>
<b>Net Position -- June 30</b>				<b>\$ 867,749.82</b>	<b>\$ 601,505.04</b>	<b>\$ 1,469,254.86</b>

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

**FUND FINANCIAL STATEMENTS**

**CITY OF SALEM SCHOOL DISTRICT**  
Governmental Funds  
Balance Sheet  
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 343,865.36	\$ 106,163.50	\$ 8,239.02	\$ 2.94	\$ 458,270.82
Investments, at Fair Value:					
Certificates of Deposit		19,184.92			19,184.92
Interfunds Accounts Receivable	126,890.78				126,890.78
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	374,471.65	247,154.10			621,625.75
<b>Total Assets</b>	<b>\$ 845,627.79</b>	<b>\$ 372,502.52</b>	<b>\$ 8,239.02</b>	<b>\$ 2.94</b>	<b>\$ 1,226,372.27</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 35,585.46	\$ 25,848.03			\$ 61,433.49
Payroll Deductions and Withholdings Payable	112,455.55				112,455.55
Due Other Governments		116,681.34			116,681.34
Interfunds Accounts Payable	500,446.45	118,651.76	\$ 8,239.02		627,337.23
Unearned Revenue		220,602.97			220,602.97
<b>Total Liabilities</b>	<b>648,487.46</b>	<b>481,784.10</b>	<b>8,239.02</b>	<b>-</b>	<b>1,138,510.58</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Maintenance Reserve	82,000.00				82,000.00
Debt Service				\$ 2.94	2.94
Scholarship Fund		77,534.22			77,534.22
Uniform Trust		267.83			267.83
Student Activity Fund / Athletics Fund		47,546.37			47,546.37
<b>Assigned:</b>					
Other Purposes	944,494.63				944,494.63
Unassigned (Deficit)	(829,354.30)	(234,630.00)			(1,063,984.30)
<b>Total Fund Balances (Deficit)</b>	<b>197,140.33</b>	<b>(109,281.58)</b>	<b>-</b>	<b>2.94</b>	<b>87,861.69</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 845,627.79</b>	<b>\$ 372,502.52</b>	<b>\$ 8,239.02</b>	<b>\$ 2.94</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,973,475.48 and the accumulated depreciation is \$16,088,955.04.	9,884,520.44
Long-term liabilities, including bonds payable, and compensated absences payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,514,145.50)
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.	(3,902.81)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore are not reported in the funds.	(11,940.00)
Net Pension Liability	(5,299,623.00)
Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources.	(368,983.00)
Deferred Outflows of Resources - Related to Pensions	889,873.00
Deferred Inflows of Resources - Related to Pensions	(2,795,911.00)
<b>Net Position of Governmental Activities</b>	<b>\$ 867,749.82</b>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 2,488,970.04			\$ 98,802.00	\$ 2,587,772.04
Tuition Charges	1,866,799.00				1,866,799.00
Miscellaneous	47,349.96				47,349.96
State Sources	21,800,461.84	\$ 2,580,057.29		188,142.00	24,568,661.13
Federal Sources	120,436.23	2,919,062.29			3,039,498.52
Local Sources		153,907.14			153,907.14
<b>Total Revenues</b>	<b>26,324,017.07</b>	<b>5,653,026.72</b>	-	<b>286,944.00</b>	<b>32,263,987.79</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	5,767,239.87	2,874,728.59			8,641,968.46
Special Education Instruction	1,222,282.68				1,222,282.68
Vocational Education	388,719.96				388,719.96
Other Instruction	474,500.26				474,500.26
<b>Support Services and Undistributed Costs:</b>					
Tuition	1,970,389.32				1,970,389.32
Student and Instruction Related Services	2,197,318.71	2,801,359.73			4,998,678.44
School Administrative Services	1,348,234.71				1,348,234.71
Other Administrative Services	1,320,115.17				1,320,115.17
Plant Operations and Maintenance	1,622,355.23				1,622,355.23
Pupil Transportation	580,276.36				580,276.36
Unallocated Benefits	8,398,619.72				8,398,619.72
<b>Debt Service:</b>					
Principal				245,000.00	245,000.00
Interest and Other Charges				41,943.76	41,943.76
Capital Outlay	250,187.23				250,187.23
<b>Total Expenditures</b>	<b>25,540,239.22</b>	<b>5,676,088.32</b>	-	<b>286,943.76</b>	<b>31,503,271.30</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>783,777.85</b>	<b>(23,061.60)</b>	-	<b>0.24</b>	<b>760,716.49</b>
Fund Balance (Deficit) -- July 1	(586,637.52)	(226,860.90)	-	2.70	(813,495.72)
Prior Period Adjustments	-	140,640.92	-	-	140,640.92
Fund Balance (Deficit), July 1, Restated	(586,637.52)	(86,219.98)	-	2.70	(672,854.80)
Fund Balance (Deficit) -- June 30	\$ 197,140.33	\$ (109,281.58)	-	\$ 2.94	\$ 87,861.69

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	760,716.49
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (831,322.20)	
Capital Outlays	<u>250,187.23</u>	(581,134.97)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		245,000.00
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.		2,555.30
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		3,789.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(36,885.19)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>405,577.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>799,617.63</u></u>

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Net Position  
 June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 44,447.98
Interfund Accounts Receivable:	
Due from General Fund	500,446.45
Accounts Receivable:	
Federal	158,822.68
Other	1,126.91
Inventories	15,120.40
Total Current Assets	719,964.42
Noncurrent Assets:	
Equipment	409,741.41
Less Accumulated Depreciation	(213,060.57)
Total Noncurrent Assets	196,680.84
Total Assets	916,645.26
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	315,140.22
<b>NET POSITION:</b>	
Net Investment in Capital Assets	196,680.84
Unrestricted	404,824.20
Total Net Position	\$ 601,505.04

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

**CITY OF SALEM SCHOOL DISTRICT**  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 6,832.81
Special Functions and Miscellaneous	21,182.95
	28,015.76
<b>OPERATING EXPENSES:</b>	
Purchased Professional/Technical Services	320,104.79
Cleaning/Repair/Maintenance	9,363.76
Other Purchased Services	80,719.15
General Supplies	8,954.88
Depreciation	12,999.99
Cost of Sales - Reimbursable Programs	322,999.48
Cost of Sales - Non-Reimbursable Programs	9,998.00
	765,140.05
Total Operating Expenses	765,140.05
Operating Income (Loss)	(737,124.29)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Federal Sources:	
National School Snack Program	1,753.92
SSO Federal Lunch	353,065.25
SSO Federal Breakfast	198,212.13
Fresh Fruits & Vegetables	43,581.19
Food Distribution Program	60,860.30
Emergency Operational Costs Reimbursement Program	111,722.61
P-EBT Administrative Cost Reimbursement	3,063.00
Summer Feeding Program	95,468.71
Interest and Investment Revenue	49.25
	867,776.36
Total Nonoperating Revenues (Expenses)	867,776.36
Change in Net Position	130,652.07
Net Position -- July 1	470,852.97
Net Position -- June 30	\$ 601,505.04

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 27,007.26
Payments for Purchased Services	(410,187.70)
Payments to Suppliers	(74,751.58)
Net Cash Provided by (Used for) Operating Activities	(457,932.02)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State Sources	44.06
Federal Sources	479,847.25
Operating Subsidies and Transfers to other Funds	87,085.34
Net Cash Provided by (Used for) Noncapital Financing Activities	566,976.65
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Investment Revenue	49.25
Net Cash Provided by (Used for) Investing Activities	49.25
Net Increase (Decrease) in Cash and Cash Equivalents	109,093.88
Cash and Cash Equivalents -- July 1	(64,645.90)
Cash and Cash Equivalents -- June 30	\$ 44,447.98
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (737,124.29)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Food Distribution Program	60,860.30
Depreciation and Net Amortization	12,999.99
(Increase) Decrease in Accounts Receivable, Net	(1,008.50)
(Increase) Decrease in Inventories	319.59
Increase (Decrease) in Accounts Payable	206,020.89
Total Adjustments	279,192.27
Net Cash Provided by (Used for) Operating Activities	\$ (457,932.02)

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

**CITY OF SALEM SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12 at its three schools. The School District has an approximate enrollment at June 30, 2021 of 1,303.

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

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

**Enterprise Fund**

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

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

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

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

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

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

**Prepaid Expenses**

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

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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

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

<b><u>Description</u></b>	<b>Governmental Activities <u>Estimated Lives</u></b>	<b>Business-Type Activities <u>Estimated Lives</u></b>
Land Improvements	10 - 20 Years	N/A
Buildings and Improvements	10 - 50 Years	N/A
Equipment	5 - 20 Years	15 Years

The School District does not possess any infrastructure assets.

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

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

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

**Tuition Payable**

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

**Unearned Revenue**

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Bond Discounts / Premiums**

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

**Net Position**

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

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

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

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

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 22).

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2021, all of the School District's bank balances of \$1,522,137.95 were insured by FDIC and GUDPA.

**Note 3: INVESTMENTS**

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

**Note 3: INVESTMENTS (CONT'D)**

**Custodial Credit Risk Related to Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy to limit its exposure to custodial credit risk. As of June 30, 2021, \$19,184.92 the School District's investments were uninsured.

As of June 30, 2021, the School District had the following investments retained for the purpose of awarding scholarships:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value</u>
Certificate of Deposit	09/04/23	Level 1	\$ 7,196.74
Certificate of Deposit	04/25/23	Level 1	1,160.19
Certificate of Deposit	02/20/23	Level 1	2,336.40
Certificate of Deposit	02/20/23	Level 1	8,491.59
			\$ 19,184.92
Total Investments			\$ 19,184.92

\* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The weighted average maturity of the School District's investment portfolio was 16.5 months as of June 30, 2021. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy that would further limit its exposure to credit risk.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District's investment policies place no limit on the amount the School District may invest in any one issuer. All of the School District's investments are in Certificates of Deposit with Franklin Savings Bank. These investments are reported in the School District's Special Revenue Fund.

**Note 4: ACCOUNTS RECEIVABLE**

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

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

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 229,676.30	\$ 229,676.30	\$ 158,822.68	\$ 158,822.68	\$ 388,498.98
State Awards	\$ 374,471.65		374,471.65			374,471.65
Other	400.00	17,477.80	17,877.80	1,126.91	1,126.91	19,004.71
	<u>\$ 374,871.65</u>	<u>\$ 247,154.10</u>	<u>\$ 622,025.75</u>	<u>\$ 159,949.59</u>	<u>\$ 159,949.59</u>	<u>\$ 781,975.34</u>

**Note 5: INVENTORY**

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

Food	\$ 10,392.53
Supplies	<u>4,727.87</u>
	<u>\$ 15,120.40</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 563,650.00			\$ 563,650.00
Construction in Progress	1,968,949.91			1,968,949.91
Total Capital Assets, not being Depreciated	2,532,599.91	-	-	2,532,599.91
Capital Assets, being Depreciated:				
Land Improvements	2,208,830.09	\$ 148,607.23		2,357,437.32
Building Improvements	18,890,070.89	101,580.00		18,991,650.89
Equipment	2,091,787.36			2,091,787.36
Total Capital Assets, being Depreciated	23,190,688.34	250,187.23	-	23,440,875.57
Less Accumulated Depreciation for:				
Land Improvements	(565,174.79)	(75,031.90)		(640,206.69)
Building Improvements	(12,840,866.25)	(675,121.30)		(13,515,987.55)
Equipment	(1,851,591.80)	(81,169.00)		(1,932,760.80)
Total Accumulated Depreciation	(15,257,632.84)	(831,322.20)	-	(16,088,955.04)
Total Capital Assets, being Depreciated, Net	7,933,055.50	(581,134.97)	-	7,351,920.53
Governmental Activities Capital Assets, Net	<u>\$ 10,465,655.41</u>	<u>\$ (581,134.97)</u>	<u>-</u>	<u>\$ 9,884,520.44</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 409,741.41			\$ 409,741.41
Less Accumulated Depreciation	(200,060.58)	\$ (12,999.99)		(213,060.57)
Business-Type Activities Capital Assets, Net	<u>\$ 209,680.83</u>	<u>\$ (12,999.99)</u>	<u>-</u>	<u>\$ 196,680.84</u>

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ 36,883.74
Other Administrative Support	5,641.90
Plant Operations and Maintenance	10,403.15
Unallocated	778,393.41
Total Depreciation Expense - Governmental Activities	<u>\$ 831,322.20</u>
<b>Business-Type Activities:</b>	
Food Service	\$ 12,999.99
Total Depreciation Expense - Business-Type Activities	<u>\$ 12,999.99</u>

**Note 7: SHORT-TERM OBLIGATIONS**

**State School Aid Anticipation Note** - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 11, 2020, the School District issued a State School Aid Anticipation Note in the amount of \$850,000.00, at an annual interest rate of 3.00%, that matured on July 13, 2020. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

The following represents short-term debt activity for the fiscal year ended June 30, 2021:

<u>Description</u>	<u>Balance June 30, 2020</u>	<u>Deductions</u>
State School Aid Anticipation Note	\$ 850,000.00	\$ 850,000.00

**Note 8: LONG-TERM LIABILITIES**

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

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 980,000.00		\$ 245,000.00	\$ 735,000.00	\$ 245,000.00
Add Amounts:					
Bond Premium	6,458.11		2,555.30	3,902.81	
Total Bonds Payable	986,458.11	-	247,555.30	738,902.81	245,000.00
Other Liabilities:					
Net Pension Liability	5,803,560.00	\$ 3,419,966.00	3,923,903.00	5,299,623.00	
Compensated Absences	742,260.31	185,565.08	148,679.89	779,145.50	77,914.55
Total Other Liabilities	6,545,820.31	3,605,531.08	4,072,582.89	6,078,768.50	77,914.55
Governmental Activities Long-Term Liabilities	\$ 7,532,278.42	\$ 3,605,531.08	\$ 4,320,138.19	\$ 6,817,671.31	\$ 322,914.55

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

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

On August 20, 2008, the School District issued \$3,670,000.00 general obligation refunding bonds, series 2008 at interest rates varying from 3.00% to 4.50%. Such refunding bonds were issued to advance refund all of the school districts bonds outstanding dated February 15, 1999. The 1999 bonds were originally issued to fund various construction and renovation projects. The final maturity of the refunding bonds is February 15, 2024. The refunding bonds will be paid from property taxes and state aid.

**Note 8: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Payable (cont'd)** – Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 245,000.00	\$ 31,837.50	\$ 276,837.50
2023	250,000.00	21,425.00	271,425.00
2024	240,000.00	10,800.00	250,800.00
	<u>\$ 735,000.00</u>	<u>\$ 64,062.50</u>	<u>\$ 799,062.50</u>

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

**Compensated Absences** – As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 15 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 10. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Postemployment Benefits** - For details on other postemployment benefits, refer to note 11.

**Note 9: OPERATING LEASES**

At June 30, 2021, the School District had operating lease agreements in effect for digital copiers. The future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2022	<u>\$ 9,568.74</u>

Rental payments under operating leases for the fiscal year ended June 30, 2021 were \$57,412.44.

**Note 10: PENSION PLANS**

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

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

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

**Note 10: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

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

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

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

**Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Note 10: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

**Tier Definition**

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

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

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

**Note 10: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions**

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 21.96% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$2,125,806.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$734,666.64.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 16.35% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$368,983.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$170,433.28.

**Note 10: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

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

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

School District's Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District		61,774,066.00
		<u>61,774,066.00</u>
	<u>\$</u>	<u>61,774,066.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0938119887%, which was a decrease of 0.0053174199% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal year ended June 30, 2021, the School District recognized \$3,841,374.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

**Public Employees' Retirement System**

**Pension Liability** - At June 30, 2021, the School District reported a liability of \$5,299,623.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was 0.0324982990%, which was an increase of 0.0002893703% from its proportion measured as of June 30, 2019.

**Note 10: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension Expense** - For the fiscal year ended June 30, 2021, the School District recognized pension expense of (\$50,064.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

**Deferred Outflows and Inflows of Resources** - At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 96,497.00	\$ 18,742.00
Changes of Assumptions	171,926.00	2,219,002.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	181,145.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	71,322.00	558,167.00
School District Contributions Subsequent to the Measurement Date	<u>368,983.00</u>	<u>-</u>
	<b><u>\$ 889,873.00</u></b>	<b><u>\$ 2,795,911.00</u></b>

Deferred outflows of resources in the amount of \$368,983.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Fiscal Year Ending June 30,</u></b>	
2022	\$ (881,618.00)
2023	(774,721.00)
2024	(443,384.00)
2025	(147,015.00)
2026	<u>(28,283.00)</u>
	<b><u>\$ (2,275,021.00)</u></b>

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

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

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

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions**

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

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

<sup>(1)</sup> based on years of service

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

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

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

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Note 10: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>72,560,875.00</u>	<u>61,774,066.00</u>	<u>52,817,431.00</u>
	<u>\$ 72,560,875.00</u>	<u>\$ 61,774,066.00</u>	<u>\$ 52,817,431.00</u>

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 6,723,800.00</u>	<u>\$ 5,299,623.00</u>	<u>\$ 4,168,203.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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

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

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

**Total Non-Employer OPEB Liability**

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$67,189,345.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0990847693%, which was a decrease of 0.0009927856% from its proportion measured as of June 30, 2019.

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

**Salary Increases -**

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

\* based on service years

**Inflation Rate** - 2.50%.

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

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

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

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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

**Changes in the Total Non-Employer OPEB Liability**

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

Balance at June 30, 2020		\$ 41,761,444.00
Changes for the Year:		
Service Cost	\$ 1,786,010.00	
Interest Cost	1,504,482.00	
Difference between Expected and Actual Experience	10,998,482.00	
Changes in Assumptions	12,273,184.00	
Member Contributions	35,454.00	
Gross Benefit Payments	<u>(1,169,711.00)</u>	
Net Changes		<u>25,427,901.00</u>
Balance at June 30, 2021		<u>\$ 67,189,345.00</u>

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

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

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

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

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 81,000,223.00</u>	<u>\$ 67,189,345.00</u>	<u>\$ 56,390,568.00</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 54,237,505.00	\$ 67,189,345.00	\$ 82,612,108.00

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

**OPEB Expense** - For the fiscal year ended June 30, 2021, the School District recognized \$2,857,211.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 10,201,093.00	\$ 9,086,771.00
Changes of Assumptions	11,428,686.00	7,666,685.00
Changes in Proportion	<u>59,333.00</u>	<u>3,284,011.00</u>
	<u>\$ 21,689,112.00</u>	<u>\$ 20,037,467.00</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

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

<b>Fiscal Year Ending June 30,</b>	
2022	\$ (418,776.00)
2023	(418,776.00)
2024	(418,776.00)
2025	(418,776.00)
2026	(418,776.00)
Thereafter	<u>3,745,525.00</u>
	<u>\$ 1,651,645.00</u>

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,652,731.00, \$50,472.00, \$847,142.00, and \$1,226.00, respectively.

**Note 13: RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the School District is required to remit the entire amount of employee and employer unemployment compensation taxes directly to the State of New Jersey on a quarterly basis. Any unemployment benefits regarding former employees would be paid by the State of New Jersey, who retains the risk of loss.

**Note 14: DEFERRED COMPENSATION**

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

Lincoln Investments  
Met Life Resources  
Midland National  
GWN Securities, Inc.  
National Insurance Group  
AXA Equitable

**Note 15: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position was \$779,145.50.

**Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 126,890.78	\$ 500,446.45
Special Revenue		118,651.76
Capital Projects		8,239.02
Proprietary	500,446.45	
	<u>\$ 627,337.23</u>	<u>\$ 627,337.23</u>

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

**Note 17: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

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

**Note 18: CONCENTRATIONS**

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

**Note 19: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$829,354.30 in the general fund and \$234,630.00 in the special revenue fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,063,984.30 is less than the June state aid payments.

**Note 20: FUND BALANCES****RESTRICTED**

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

**General Fund**

**For Maintenance Reserve Account** - As of June 30, 2021, the balance in the maintenance reserve account is \$82,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Special Revenue Fund**

**For Scholarships** - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2021 is \$77,534.22.

**For Uniform Trust** - The School District reports fund balance resulting from the receipt of funds to offset the costs of uniforms for students. These funds are required to be used as restricted by the contributors. The balance of these funds as of June 30, 2021 is \$267.83.

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$47,546.37.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022 \$2.94 of debt service fund balance at June 30, 2021.

**ASSIGNED**

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

**General Fund -**

**Other Purposes** - As of June 30, 2021, the School District had \$944,494.63 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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

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

**General Fund** - As of June 30, 2021, the fund balance of the general fund was a deficit of \$829,354.30, thus resulting in the fund balance classification of unassigned. The deficit is the result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$829,354.30 is less than the last state aid payment by \$1,654,310.00.

**Special Revenue Fund** - As of June 30, 2021, the fund balance of the special revenue fund was a deficit of \$234,630.00 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$234,630.00 is equal to the last state aid payment.

**Note 21: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The City of Salem has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$19,971,800.00. Based on the School District's 2021 certified tax rate of \$2.127, abated taxes totaled \$424,800.19.

**Note 22: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE**

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

		<u>Governmental Activities</u>
Beginning Net Position (Deficit) as Previously Reported at July 1, 2020		\$ (72,508.73)
Prior Period Adjustment(s):		
Reclassification of Net Position from Fiduciary Fund:		
Scholarship Fund	\$ 85,114.77	
Uniform Trust	267.83	
Student Activity / Athletics Fund	<u>55,258.32</u>	
Total Prior Period Adjustment(s)		<u>140,640.92</u>
Net Position as Restated, July 1, 2020		<u>\$ 68,132.19</u>
		<u>Special Revenue Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2020		\$ (226,860.90)
Prior Period Adjustment(s):		
Reclassification of Net Position from Fiduciary Fund:		
Scholarship Fund	\$ 85,114.77	
Uniform Trust	267.83	
Student Activity / Athletics Fund	<u>55,258.32</u>	
Total Prior Period Adjustment(s)		<u>140,640.92</u>
Fund Balance as Restated, July 1, 2020		<u>\$ (86,219.98)</u>

**Note 23: SUBSEQUENT EVENTS**

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Ad Valorem Taxes - Local Tax Levy	\$ 2,488,970.00		\$ 2,488,970.00	\$ 2,488,970.04	\$ (0.04)
Tuition from Other LEA's Within State	1,854,406.00		1,854,406.00	1,866,799.00	12,393.00
Interest Earned on Capital Reserve Funds	2,400.00		2,400.00		(2,400.00)
Miscellaneous				47,349.96	47,349.96
<b>Total - Local Sources</b>	<b>4,345,776.00</b>	<b>-</b>	<b>4,345,776.00</b>	<b>4,403,119.00</b>	<b>57,343.00</b>
State Sources:					
School Choice Aid	23,056.00		23,056.00	24,828.00	1,772.00
Extraordinary Aid				350,338.00	350,338.00
Categorical Special Education Aid	723,650.00		723,650.00	723,650.00	
Equalization Aid	14,139,992.00		14,139,992.00	13,619,256.00	(520,736.00)
Categorical Security Aid	425,317.00		425,317.00	425,317.00	
Adjustment Aid	2,162,927.00		2,162,927.00	2,162,927.00	
Categorical Transportation Aid	281,682.00		281,682.00	281,682.00	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				847,142.00	847,142.00
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				2,652,731.00	2,652,731.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				1,226.00	1,226.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)				50,472.00	50,472.00
Reimbursed TPAF Social Security (Non-Budgeted)				711,963.84	711,963.84
<b>Total State Sources</b>	<b>17,756,624.00</b>	<b>-</b>	<b>17,756,624.00</b>	<b>21,851,532.84</b>	<b>4,094,908.84</b>
Federal Sources:					
Impact Aid	10,000.00		10,000.00		(10,000.00)
Medicaid Reimbursement	73,721.00		73,721.00	120,436.23	46,715.23
<b>Total - Federal Sources</b>	<b>83,721.00</b>	<b>-</b>	<b>83,721.00</b>	<b>120,436.23</b>	<b>36,715.23</b>
<b>Total Revenues</b>	<b>22,186,121.00</b>	<b>-</b>	<b>22,186,121.00</b>	<b>26,375,088.07</b>	<b>4,188,967.07</b>

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	\$ 372,107.00	\$ 3,021.49	\$ 375,128.49	\$ 369,729.27	\$ 5,399.22
Grades 1-5 - Salaries of Teachers	1,685,164.00	73,782.43	1,758,946.43	1,526,042.22	232,904.21
Grades 6-8 - Salaries of Teachers	1,099,221.00	7,510.00	1,106,731.00	998,862.65	107,868.35
Grades 9-12 - Salaries of Teachers	2,240,658.00	48,981.01	2,289,639.01	2,289,639.01	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers		15,505.00	15,505.00	15,505.00	
Purchased Professional-Educational Services	51,715.00	(40,194.06)	11,520.94	11,020.94	500.00
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	165,998.00	413.00	166,411.00	147,684.26	18,726.74
Purchased Professional-Educational Services	7,501.00	8,394.00	15,895.00	15,895.00	
Purchased Technical Services	28,431.00	95,097.02	123,528.02	121,551.35	1,976.67
Other Purchased Services (400-500 series)	17,500.00	30,434.05	47,934.05	40,855.42	7,078.63
General Supplies	25,002.30	185,871.76	210,874.06	130,540.13	80,333.93
Textbooks	1,000.00	40,658.07	41,658.07	14,515.29	27,142.78
Other Objects	1,000.00	85,599.00	86,599.00	85,399.33	1,199.67
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,695,297.30</b>	<b>555,072.77</b>	<b>6,250,370.07</b>	<b>5,767,239.87</b>	<b>483,130.20</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	738,258.00	5,408.00	743,666.00	644,933.60	98,732.40
Other Salaries for Instruction	9,149.00	13,242.00	22,391.00	450.00	21,941.00
Other Purchased Services (400-500 series)	1,000.00	500.00	1,500.00	1,500.00	
General Supplies		102.83	102.83	102.83	
<b>Total Multiple Disabilities</b>	<b>748,407.00</b>	<b>19,252.83</b>	<b>767,659.83</b>	<b>646,986.43</b>	<b>120,673.40</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	477,107.00	(5,979.00)	471,128.00	464,658.79	6,469.21
General Supplies	300.00	(244.07)	55.93	55.93	
<b>Total Resource Room/Resource Center</b>	<b>477,407.00</b>	<b>(6,223.07)</b>	<b>471,183.93</b>	<b>464,714.72</b>	<b>6,469.21</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	79,631.00	11,457.00	91,088.00	86,709.24	4,378.76
Other Salaries for Instruction		16,447.01	16,447.01	15,447.01	1,000.00
<b>Total Preschool Disabilities - Full-Time</b>	<b>79,631.00</b>	<b>27,904.01</b>	<b>107,535.01</b>	<b>102,156.25</b>	<b>5,378.76</b>
<b>Special Education - Home Instruction</b>					
Salaries of Teachers	10,000.00	-	10,000.00	3,955.00	6,045.00
Purchased Professional - Educational Services	37,500.00	(32,957.72)	4,542.28	4,470.28	72.00
<b>Total Special Education - Home Instruction</b>	<b>47,500.00</b>	<b>(32,957.72)</b>	<b>14,542.28</b>	<b>8,425.28</b>	<b>6,117.00</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,352,945.00</b>	<b>7,976.05</b>	<b>1,360,921.05</b>	<b>1,222,282.68</b>	<b>138,638.37</b>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	\$ 466,114.00	\$ (77,456.85)	\$ 388,657.15	\$ 388,657.15	
General Supplies	5,062.81	(5,000.00)	62.81	62.81	
<b>Total Vocational Programs - Local - Instruction</b>	<b>471,176.81</b>	<b>(82,456.85)</b>	<b>388,719.96</b>	<b>388,719.96</b>	<b>-</b>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries		11,993.52	11,993.52	11,111.50	\$ 882.02
Purchased Services (300-500 series)	6,926.00	(1,429.00)	5,497.00	5,497.00	
Supplies and Materials	1,000.00	(1,000.00)			
Other Objects	3,400.00	(2,964.88)	435.12	435.12	
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>11,326.00</b>	<b>6,599.64</b>	<b>17,925.64</b>	<b>17,043.62</b>	<b>882.02</b>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	84,271.00	168,979.00	253,250.00	253,250.00	
Purchased Services (300-500 series)	54,713.58	21,639.24	76,352.82	75,502.82	850.00
Supplies and Materials	39,129.48	72,582.16	111,711.64	76,615.36	35,096.28
Other Objects	6,000.00	15,852.91	21,852.91	21,809.91	43.00
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<b>184,114.06</b>	<b>279,053.31</b>	<b>463,167.37</b>	<b>427,178.09</b>	<b>35,989.28</b>
Alternative Education Program - Inst.					
Purchased Prof-Technical Services	25,000.00	6,564.55	31,564.55	30,278.55	1,286.00
<b>Total Alternative Education Program - Inst.</b>	<b>25,000.00</b>	<b>6,564.55</b>	<b>31,564.55</b>	<b>30,278.55</b>	<b>1,286.00</b>
Community Services Programs/Operations					
Purchased Services (300-500 series)	38,500.00	(38,500.00)			
<b>Total Community Services Programs/Operations</b>	<b>38,500.00</b>	<b>(38,500.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Instruction</b>	<b>7,778,359.17</b>	<b>734,309.47</b>	<b>8,512,668.64</b>	<b>7,852,742.77</b>	<b>659,925.87</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	300.00	176,111.46	176,411.46	103,195.46	73,216.00
Tuition to Other LEAs Within the State - Special	67,000.00	117,410.62	184,410.62	178,423.34	5,987.28
Tuition-County Voc. - Regular	56,037.50	43,307.00	99,344.50	99,344.50	
Tuition to Vocational School Districts - Special	1,500.00	(1,500.00)			
Tuition to CSSD & Regional Day Schools	1,470,000.00	(8,969.25)	1,461,030.75	1,461,030.75	
Tuition to Private Schools for the Disabled - Within State	601,654.11	(530,989.86)	70,664.25	65,970.27	4,693.98
Tuition to Private Schools for the Disabled & Other LEA - Spl,O/S St					
Tuition - State Facilities	162,443.00	(100,018.00)	62,425.00	62,425.00	
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,358,934.61</b>	<b>(304,648.03)</b>	<b>2,054,286.58</b>	<b>1,970,389.32</b>	<b>83,897.26</b>

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Attend. & Social Work					
Salaries	\$ 176,295.00	\$ (5,279.54)	\$ 171,015.46	\$ 144,290.79	\$ 26,724.67
Other Purchased Services (400-500 series)	2,000.00	(2,000.00)			
Supplies and Materials	1,000.00	(1,000.00)			
Other Objects	750.00	(750.00)			
	<u>180,045.00</u>	<u>(9,029.54)</u>	<u>171,015.46</u>	<u>144,290.79</u>	<u>26,724.67</u>
Total Undist. Expend. - Attend. & Social Work					
Undist. Expend. - Health Services					
Salaries	184,442.00	3,632.25	188,074.25	187,672.92	401.33
Purchased Professional and Technical Services	22,500.00		22,500.00	22,500.00	
Other Purchased Services (400-500 series)		854.00	854.00	854.00	
Supplies and Materials	250.00	3,311.50	3,561.50	3,506.21	55.29
	<u>207,192.00</u>	<u>7,797.75</u>	<u>214,989.75</u>	<u>214,533.13</u>	<u>456.62</u>
Total Undist. Expend. - Health Services					
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	151,766.00	(90,438.00)	61,328.00	61,328.00	
Purchased Professional - Educational Services	110,454.80	(65,975.50)	44,479.30	35,784.30	8,695.00
Supplies and Materials	1,500.00	3,722.49	5,222.49	5,222.49	
Other Objects	300.00	874.00	1,174.00	1,174.00	
	<u>264,020.80</u>	<u>(151,817.01)</u>	<u>112,203.79</u>	<u>103,508.79</u>	<u>8,695.00</u>
Total Undist. Expend. - Speech, OT, PT & Related Svcs					
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	194,224.00	(28,162.19)	166,061.81	166,061.81	
Purchased Professional - Educational Services	175,000.00	(90,000.00)	85,000.00	13,396.75	71,603.25
	<u>369,224.00</u>	<u>(118,162.19)</u>	<u>251,061.81</u>	<u>179,458.56</u>	<u>71,603.25</u>
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	313,217.00	(44,464.84)	268,752.16	268,597.16	155.00
Salaries of Secretarial and Clerical Assistants	35,746.00	1,910.80	37,656.80	37,656.80	
Other Salaries	24,390.00	(2,705.48)	21,684.52	1,971.32	19,713.20
Other Purchased Prof. and Tech. Services	16,194.00	4,923.00	21,117.00	11,259.00	9,858.00
Other Purchased Services (400-500 series)	1,198.50	1,361.00	2,559.50	772.50	1,787.00
Supplies and Materials	10,000.00	(1,678.66)	8,321.34	7,728.36	592.98
Other Objects	899.00	(500.00)	399.00	399.00	
	<u>401,644.50</u>	<u>(41,154.18)</u>	<u>360,490.32</u>	<u>328,384.14</u>	<u>32,106.18</u>
Total Undist. Expend. - Guidance					

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	\$ 353,173.00	\$ 1,839.73	\$ 355,012.73	\$ 355,012.73	
Salaries of Secretarial and Clerical Assistants	96,734.00	(42,076.95)	54,657.05	54,657.05	
Purchased Professional - Educational Services	83,000.00	122,387.13	205,387.13	205,387.13	
Other Purchased Prof. and Tech. Services	105,000.00	30,675.59	135,675.59	132,385.09	\$ 3,290.50
Mis. Purchase Serv. (400-500 series other than Residential Costs)		3,915.52	3,915.52	3,915.52	
Supplies and Materials	2,500.00	(1,731.11)	768.89	768.89	
Other Objects	500.00	(487.50)	12.50	12.50	
<b>Total Undist. Expend. - Child Study Teams</b>	<b>640,907.00</b>	<b>114,522.41</b>	<b>755,429.41</b>	<b>752,138.91</b>	<b>3,290.50</b>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	117,828.00	(333.90)	117,494.10	114,065.10	3,429.00
Salaries of Secr and Clerical Assist.	12,500.00	(1,990.00)	10,510.00	10,510.00	
Other Salaries	-	10,325.00	10,325.00	10,325.00	
Purchased Prof- Educational Services	15,000.00	14,650.00	29,650.00	29,650.00	
Other Purch Services (400-500)	3,500.00	(1,800.53)	1,699.47	1,699.47	
Supplies and Materials	250.00	(250.00)			
Other Objects	1,000.00	(80.00)	920.00	920.00	
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>150,078.00</b>	<b>20,520.57</b>	<b>170,598.57</b>	<b>167,169.57</b>	<b>3,429.00</b>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	148,245.00	4,552.50	152,797.50	151,674.50	1,123.00
Salaries of Technology Coordinators	154,665.00	(695.00)	153,970.00	149,627.64	4,342.36
Purchased Professional and Technical Services	1,500.00	2,103.68	3,603.68	3,603.68	
Supplies and Materials	3,750.00	15.80	3,765.80	279.00	3,486.80
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>308,160.00</b>	<b>5,976.98</b>	<b>314,136.98</b>	<b>305,184.82</b>	<b>8,952.16</b>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	-	2,400.00	2,400.00	2,400.00	
Other Purchased Services (400-500 series)	500.00	(500.00)			
Supplies and Materials	1,500.00	(1,250.00)	250.00	250.00	
Other Objects	750.00	(750.00)			
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>2,750.00</b>	<b>(100.00)</b>	<b>2,650.00</b>	<b>2,650.00</b>	<b>-</b>

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 213,857.00	\$ (36,621.18)	\$ 177,235.82	\$ 176,959.36	\$ 276.46
Legal Services	225,000.00	(117,822.51)	107,177.49	94,729.05	12,448.44
Audit Fees	47,000.00	7,500.00	54,500.00		54,500.00
Architectural/Engineering Services	-	22,500.00	22,500.00	22,500.00	
Other Purchased Professional Services	3,000.00	(1,350.00)	1,650.00	1,650.00	
Communications/Telephone	341,887.92	94,055.51	435,943.43	402,249.43	33,694.00
BOE Other Purchased Services	10,000.00	(9,550.00)	450.00	450.00	
Other Purchased Services (400-500 series)	145,000.00	122,207.53	267,207.53	267,207.53	
Supplies and Materials	4,500.00	(2,022.06)	2,477.94	1,874.99	602.95
BOE In-House Training/Meeting Supplies	6,650.00	1,488.85	8,138.85	2,642.85	5,496.00
Miscellaneous Expenditures	2,750.00	12,764.50	15,514.50	15,514.50	
BOE Membership Dues and Fees	9,500.00	(3,000.00)	6,500.00		6,500.00
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>1,009,144.92</b>	<b>90,150.64</b>	<b>1,099,295.56</b>	<b>985,777.71</b>	<b>113,517.85</b>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	722,069.00	1,716.92	723,785.92	700,807.92	22,978.00
Salaries of Other Professional Staff	122,431.00	(37,338.11)	85,092.89	83,552.46	1,540.43
Salaries of Secretarial and Clerical Assistants	94,370.00	21,206.05	115,576.05	115,576.05	
Purchased Professional and Technical Services	54,500.00	243,206.00	297,706.00	297,576.00	130.00
Other Purchased Services (400-500 series)	13,000.00	3,002.31	16,002.31	15,018.59	983.72
Supplies and Materials	9,192.15	8,538.45	17,730.60	10,050.61	7,679.99
Other Objects	89,658.54	38,036.73	127,695.27	125,653.08	2,042.19
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>1,105,220.69</b>	<b>278,368.35</b>	<b>1,383,589.04</b>	<b>1,348,234.71</b>	<b>35,354.33</b>
Undistributed Expenditures - Central Services					
Salaries	255,894.00	3,156.25	259,050.25	247,535.99	11,514.26
Purchased Professional Services	18,000.00	85,780.90	103,780.90	72,601.90	31,179.00
Misc. Purch. Services (400-500 Series)	6,996.25	2,765.09	9,761.34	9,761.34	
Supplies and Materials	6,827.00	(2,955.27)	3,871.73	3,838.23	33.50
Miscellaneous Expenditures	500.00	100.00	600.00	600.00	
<b>Total Undist. Expend. - Central Services</b>	<b>288,217.25</b>	<b>88,846.97</b>	<b>377,064.22</b>	<b>334,337.46</b>	<b>42,726.76</b>
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	85,843.50	13,983.10	99,826.60	70,122.92	29,703.68
General Supplies	53,970.42	33,198.42	87,168.84	54,581.78	32,587.06
<b>Total Undist. Expend. -Required Maintenance for School Facilities</b>	<b>139,813.92</b>	<b>47,181.52</b>	<b>186,995.44</b>	<b>124,704.70</b>	<b>62,290.74</b>

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 666,294.00	\$ 97,784.65	\$ 764,078.65	\$ 760,966.98	\$ 3,111.67
Purchased Professional and Technical Services	18,450.00	(1,184.17)	17,265.83	15,606.40	1,659.43
Cleaning, Repair and Maintenance Services	46,641.90	(9,716.35)	36,925.55	34,344.56	2,580.99
Other Purchased Property Services	37,500.00	5,725.68	43,225.68	41,959.68	1,266.00
Insurance	92,000.00	(9,557.02)	82,442.98	82,442.98	
Miscellaneous Purchased Services	4,047.29	(2,990.20)	1,057.09	1,057.09	
General Supplies	78,899.91	(38,301.01)	40,598.90	38,680.42	1,918.48
Energy - Natural Gas	85,000.00	(5,000.00)	80,000.00	70,242.43	9,757.57
Energy - Electricity	525,000.00	(242,780.84)	282,219.16	282,219.16	
Energy - Gasoline	7,000.00		7,000.00	6,058.02	941.98
Other Objects	15,000.00	(12,762.02)	2,237.98	895.85	1,342.13
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>1,575,833.10</b>	<b>(218,781.28)</b>	<b>1,357,051.82</b>	<b>1,334,473.57</b>	<b>22,578.25</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>1,715,647.02</b>	<b>(171,599.76)</b>	<b>1,544,047.26</b>	<b>1,459,178.27</b>	<b>84,868.99</b>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries		22,131.29	22,131.29	21,039.63	1,091.66
Purchased Professional and Technical Services	25,000.00	(22,370.00)	2,630.00	2,630.00	
Cleaning, Repair and Maintenance Services	255.70	4,607.40	4,863.10	3,863.10	1,000.00
General Supplies	2,370.00	442.01	2,812.01	2,457.00	355.01
Other Objects		12,318.50	12,318.50	12,318.50	
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>27,625.70</b>	<b>17,129.20</b>	<b>44,754.90</b>	<b>42,308.23</b>	<b>2,446.67</b>
Undist. Expend. - Security					
Salaries	106,815.00	3,253.73	110,068.73	109,828.73	240.00
Purchased Professional and Technical Services	7,000.00	4,060.00	11,060.00	11,040.00	20.00
<b>Total Undist. Expend. - Security</b>	<b>113,815.00</b>	<b>7,313.73</b>	<b>121,128.73</b>	<b>120,868.73</b>	<b>260.00</b>
Undist. Expend. - Student Transportation Serv.					
Contract Serv (Aid in Lieu of Payment - Choice School)	80,500.00	(26,821.37)	53,678.63	53,678.63	
Contract Services (Other than Between Home & School)-Vendors	5,000.00	184,178.92	189,178.92	75,504.90	113,674.02
Contract Services - (Between Home and Sch) - Joint Agrmts	1,935.36	5,949.47	7,884.83	7,884.83	
Contr Serv (Spl. Ed. Students) - Joint Agrmt	555,000.00	(111,792.00)	443,208.00	443,208.00	
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>642,435.36</b>	<b>51,515.02</b>	<b>693,950.38</b>	<b>580,276.36</b>	<b>113,674.02</b>
UNALLOCATED BENEFITS					
Health Benefits	4,594,960.40	(1,367,626.40)	3,227,334.00	2,988,014.76	239,319.24
Other Employee Benefits	228,152.00	129,974.49	358,126.49	357,809.94	316.55
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>5,751,694.40</b>	<b>(1,219,095.95)</b>	<b>4,532,598.45</b>	<b>4,135,084.88</b>	<b>397,513.57</b>

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On-Behalf Contributions					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				\$ 847,142.00	\$ (847,142.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				2,652,731.00	(2,652,731.00)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				1,226.00	(1,226.00)
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)				50,472.00	(50,472.00)
Reimbursed TPAF Social Security (Non-Budgeted)				711,963.84	(711,963.84)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,263,534.84</b>	<b>(4,263,534.84)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>5,751,694.40</b>	<b>(1,219,095.95)</b>	<b>4,532,598.45</b>	<b>8,398,619.72</b>	<b>(3,866,021.27)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>15,536,756.25</b>	<b>(1,333,465.04)</b>	<b>14,203,291.21</b>	<b>17,437,309.22</b>	<b>(3,234,018.01)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>23,315,115.42</b>	<b>(599,155.57)</b>	<b>22,715,959.85</b>	<b>25,290,051.99</b>	<b>(2,574,092.14)</b>
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Construction Services	92,629.11	599,155.57	691,784.68	250,187.23	441,597.45
Total Facilities Acquisition and Construction Services	92,629.11	599,155.57	691,784.68	250,187.23	441,597.45
Increase in Impact Aid Reserve (Capital)	3,367.00	-	3,367.00	-	3,367.00
<b>TOTAL CAPITAL OUTLAY</b>	<b>95,996.11</b>	<b>599,155.57</b>	<b>695,151.68</b>	<b>250,187.23</b>	<b>444,964.45</b>
<b>TOTAL EXPENDITURES</b>	<b>23,411,111.53</b>	<b>-</b>	<b>23,411,111.53</b>	<b>25,540,239.22</b>	<b>(2,129,127.69)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,224,990.53)	-	(1,224,990.53)	834,848.85	2,059,839.38
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(12,913,783.00)		(12,913,783.00)	(11,818,667.67)	(1,095,115.33)
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	12,913,783.00		12,913,783.00	11,818,667.67	1,095,115.33
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,224,990.53)	-	(1,224,990.53)	834,848.85	2,059,839.38
Fund Balance, July 1	1,016,601.48	-	1,016,601.48	1,016,601.48	-
Fund Balance, June 30	<b>\$ (208,389.05)</b>	<b>\$ -</b>	<b>\$ (208,389.05)</b>	<b>\$ 1,851,450.33</b>	<b>\$ 2,059,839.38</b>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>Recapitulation:</b>					
Fund Balances:					
Restricted:					
Maintenance Reserve				\$ 82,000.00	
Assigned:					
Other Purposes - Funds 11 - 13				842,407.41	
Other Purposes - Fund 15				102,087.22	
Unassigned				824,955.70	
				1,851,450.33	
Reconciliation to Governmental Funds Statements(GAAP):					
Last June State Aid Payments Not recognized on GAAP Basis				(1,654,310.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 197,140.33	

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
<b>REVENUES:</b>												
Local Sources:												
Ad Valorem Taxes - Local Tax Levy	\$ 2,488,970.00		\$ 2,488,970.00				\$ 2,488,970.00		\$ 2,488,970.00	\$ 2,488,970.04		\$ 2,488,970.04
Tuition from Other LEA's Within State	1,854,406.00		1,854,406.00				1,854,406.00		1,854,406.00	1,866,799.00		1,866,799.00
Interest Earned on Capital Reserve Funds	2,400.00		2,400.00				2,400.00		2,400.00			-
Miscellaneous										47,349.96		47,349.96
<b>Total - Local Sources</b>	<b>4,345,776.00</b>	<b>-</b>	<b>4,345,776.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,345,776.00</b>	<b>-</b>	<b>4,345,776.00</b>	<b>4,403,119.00</b>	<b>-</b>	<b>4,403,119.00</b>
State Sources:												
School Choice Aid	23,056.00		23,056.00				23,056.00		23,056.00	24,828.00		24,828.00
Extraordinary Aid			-							350,338.00		350,338.00
Categorical Special Education Aid	723,650.00		723,650.00				723,650.00		723,650.00	723,650.00		723,650.00
Equalization Aid	14,139,992.00		14,139,992.00				14,139,992.00		14,139,992.00	13,619,256.00		13,619,256.00
Categorical Security Aid	425,317.00		425,317.00				425,317.00		425,317.00	425,317.00		425,317.00
Adjustment Aid	2,162,927.00		2,162,927.00				2,162,927.00		2,162,927.00	2,162,927.00		2,162,927.00
Categorical Transportation Aid	281,682.00		281,682.00				281,682.00		281,682.00	281,682.00		281,682.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										847,142.00		847,142.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										2,652,731.00		2,652,731.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)										1,226.00		1,226.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)										50,472.00		50,472.00
Reimbursed TPAF Social Security (Non-Budgeted)										711,963.84		711,963.84
<b>Total State Sources</b>	<b>17,756,624.00</b>	<b>-</b>	<b>17,756,624.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,756,624.00</b>	<b>-</b>	<b>17,756,624.00</b>	<b>21,851,532.84</b>	<b>-</b>	<b>21,851,532.84</b>
Federal Sources:												
Impact Aid	10,000.00		10,000.00				10,000.00		10,000.00			
Medicaid Reimbursement	73,721.00		73,721.00				73,721.00		73,721.00	120,436.23		120,436.23
<b>Total - Federal Sources</b>	<b>83,721.00</b>	<b>-</b>	<b>83,721.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,721.00</b>	<b>-</b>	<b>83,721.00</b>	<b>120,436.23</b>	<b>-</b>	<b>120,436.23</b>
<b>Total Revenues</b>	<b>22,186,121.00</b>	<b>-</b>	<b>22,186,121.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,186,121.00</b>	<b>-</b>	<b>22,186,121.00</b>	<b>26,375,088.07</b>	<b>-</b>	<b>26,375,088.07</b>
<b>EXPENDITURES:</b>												
Current Expense:												
Regular Programs - Instruction												
Kindergarten - Salaries of Teachers		\$ 372,107.00	\$ 372,107.00		\$ 3,021.49	\$ 3,021.49		\$ 375,128.49	\$ 375,128.49		\$ 369,729.27	\$ 369,729.27
Grades 1-5 - Salaries of Teachers		1,685,164.00	1,685,164.00		73,782.43	73,782.43		1,758,946.43	1,758,946.43		1,526,042.22	1,526,042.22
Grades 6-8 - Salaries of Teachers		1,099,221.00	1,099,221.00		7,510.00	7,510.00		1,106,731.00	1,106,731.00		998,862.65	998,862.65
Grades 9-12 - Salaries of Teachers		2,240,658.00	2,240,658.00		48,981.01	48,981.01		2,289,639.01	2,289,639.01		2,289,639.01	2,289,639.01
Regular Programs - Home Instruction:												
Salaries of Teachers				\$ 15,505.00		15,505.00	\$ 15,505.00		15,505.00	\$ 15,505.00		15,505.00
Purchased Professional-Educational Services	\$ 51,715.00		51,715.00	(40,194.06)		(40,194.06)	11,520.94		11,520.94	11,020.94		11,020.94
Regular Programs - Undistributed Instruction												
Other Salaries for Instruction		165,998.00	165,998.00		413.00	413.00		166,411.00	166,411.00		147,684.26	147,684.26
Purchased Professional-Educational Services		7,501.00	7,501.00		8,394.00	8,394.00		15,895.00	15,895.00		15,895.00	15,895.00
Purchased Technical Services		28,431.00	28,431.00		95,097.02	95,097.02		123,528.02	123,528.02		121,551.35	121,551.35
Other Purchased Services (400-500 series)		17,500.00	17,500.00		30,434.05	30,434.05		47,934.05	47,934.05		40,855.42	40,855.42
General Supplies		25,002.30	25,002.30		185,871.76	185,871.76		210,874.06	210,874.06		130,540.13	130,540.13
Textbooks		1,000.00	1,000.00		40,658.07	40,658.07		41,658.07	41,658.07		14,515.29	14,515.29
Other Objects		1,000.00	1,000.00		85,599.00	85,599.00		86,599.00	86,599.00		85,399.33	85,399.33
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>51,715.00</b>	<b>5,643,582.30</b>	<b>5,695,297.30</b>	<b>(24,689.06)</b>	<b>579,761.83</b>	<b>555,072.77</b>	<b>27,025.94</b>	<b>6,223,344.13</b>	<b>6,250,370.07</b>	<b>26,525.94</b>	<b>5,740,713.93</b>	<b>5,767,239.87</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>												
Multiple Disabilities:												
Salaries of Teachers		738,258.00	738,258.00		5,408.00	5,408.00		743,666.00	743,666.00		644,933.60	644,933.60
Other Salaries for Instruction		9,149.00	9,149.00		13,242.00	13,242.00		22,391.00	22,391.00		450.00	450.00
Other Purchased Services (400-500 series)		1,000.00	1,000.00		500.00	500.00		1,500.00	1,500.00		1,500.00	1,500.00
General Supplies					102.83	102.83		102.83	102.83		102.83	102.83
<b>Total Multiple Disabilities</b>	<b>-</b>	<b>748,407.00</b>	<b>748,407.00</b>	<b>-</b>	<b>19,252.83</b>	<b>19,252.83</b>	<b>-</b>	<b>767,659.83</b>	<b>767,659.83</b>	<b>-</b>	<b>646,986.43</b>	<b>646,986.43</b>
Resource Room/Resource Center:												
Salaries of Teachers		477,107.00	477,107.00		(5,979.00)	(5,979.00)		471,128.00	471,128.00		464,658.79	464,658.79
General Supplies		300.00	300.00		(244.07)	(244.07)		55.93	55.93		55.93	55.93
<b>Total Resource Room/Resource Center</b>	<b>-</b>	<b>477,407.00</b>	<b>477,407.00</b>	<b>-</b>	<b>(6,223.07)</b>	<b>(6,223.07)</b>	<b>-</b>	<b>471,183.93</b>	<b>471,183.93</b>	<b>-</b>	<b>464,714.72</b>	<b>464,714.72</b>
Preschool Disabilities - Full-Time:												
Salaries of Teachers		79,631.00	79,631.00		11,457.00	11,457.00		91,088.00	91,088.00		86,709.24	86,709.24
Other Salaries for Instruction					16,447.01	16,447.01		16,447.01	16,447.01		15,447.01	15,447.01
<b>Total Preschool Disabilities - Full-Time</b>	<b>-</b>	<b>79,631.00</b>	<b>79,631.00</b>	<b>-</b>	<b>27,904.01</b>	<b>27,904.01</b>	<b>-</b>	<b>107,535.01</b>	<b>107,535.01</b>	<b>-</b>	<b>102,156.25</b>	<b>102,156.25</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Special Education - Home Instruction												
Salaries of Teachers	\$ 10,000.00		\$ 10,000.00				\$ 10,000.00		\$ 10,000.00	\$ 3,955.00		\$ 3,955.00
Purchase Professional - Educational Services	37,500.00		37,500.00	(32,957.72)		(32,957.72)	4,542.28		4,542.28	4,470.28		4,470.28
<b>Total Special Education - Home Instruction</b>	<b>47,500.00</b>	<b>-</b>	<b>47,500.00</b>	<b>(32,957.72)</b>	<b>-</b>	<b>(32,957.72)</b>	<b>14,542.28</b>	<b>-</b>	<b>14,542.28</b>	<b>8,425.28</b>	<b>-</b>	<b>8,425.28</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>47,500.00</b>	<b>\$ 1,305,445.00</b>	<b>1,352,945.00</b>	<b>(32,957.72)</b>	<b>\$ 40,933.77</b>	<b>7,976.05</b>	<b>14,542.28</b>	<b>\$ 1,346,378.77</b>	<b>1,360,921.05</b>	<b>8,425.28</b>	<b>\$ 1,213,857.40</b>	<b>1,222,282.68</b>
Vocational Programs - Local - Instruction												
Salaries of Teachers		466,114.00	466,114.00		(77,456.85)	(77,456.85)		388,657.15	388,657.15		388,657.15	388,657.15
General Supplies		5,062.81	5,062.81		(5,000.00)	(5,000.00)		62.81	62.81		62.81	62.81
<b>Total Vocational Programs - Local - Instruction</b>	<b>-</b>	<b>471,176.81</b>	<b>471,176.81</b>	<b>-</b>	<b>(82,456.85)</b>	<b>(82,456.85)</b>	<b>-</b>	<b>388,719.96</b>	<b>388,719.96</b>	<b>-</b>	<b>388,719.96</b>	<b>388,719.96</b>
School-Spon. Cocurricular Actvts. - Inst.												
Salaries					11,993.52	11,993.52		11,993.52	11,993.52		11,111.50	11,111.50
Purchased Services (300-500 series)		6,926.00	6,926.00		(1,429.00)	(1,429.00)		5,497.00	5,497.00		5,497.00	5,497.00
Supplies and Materials		1,000.00	1,000.00		(1,000.00)	(1,000.00)						
Other Objects		3,400.00	3,400.00		(2,964.88)	(2,964.88)		435.12	435.12		435.12	435.12
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>-</b>	<b>11,326.00</b>	<b>11,326.00</b>	<b>-</b>	<b>6,599.64</b>	<b>6,599.64</b>	<b>-</b>	<b>17,925.64</b>	<b>17,925.64</b>	<b>-</b>	<b>17,043.62</b>	<b>17,043.62</b>
School-Spon. Cocurricular Athletics - Inst.												
Salaries		84,271.00	84,271.00		168,979.00	168,979.00		253,250.00	253,250.00		253,250.00	253,250.00
Purchased Services (300-500 series)		54,713.58	54,713.58		21,639.24	21,639.24		76,352.82	76,352.82		75,502.82	75,502.82
Supplies and Materials		39,129.48	39,129.48		72,582.16	72,582.16		111,711.64	111,711.64		76,615.36	76,615.36
Other Objects		6,000.00	6,000.00		15,852.91	15,852.91		21,852.91	21,852.91		21,809.91	21,809.91
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<b>-</b>	<b>184,114.06</b>	<b>184,114.06</b>	<b>-</b>	<b>279,053.31</b>	<b>279,053.31</b>	<b>-</b>	<b>463,167.37</b>	<b>463,167.37</b>	<b>-</b>	<b>427,178.09</b>	<b>427,178.09</b>
Alternative Education Program - Inst.												
Purchased Prof-Technical Services		25,000.00	25,000.00		6,564.55	6,564.55		31,564.55	31,564.55		30,278.55	30,278.55
<b>Total Alternative Education Program - Inst.</b>	<b>-</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>-</b>	<b>6,564.55</b>	<b>6,564.55</b>	<b>-</b>	<b>31,564.55</b>	<b>31,564.55</b>	<b>-</b>	<b>30,278.55</b>	<b>30,278.55</b>
Community Services Programs/Operations												
Purchased Services (300-500 series)	38,500.00		38,500.00	(38,500.00)		(38,500.00)						
<b>Total Community Services Programs/Operations</b>	<b>38,500.00</b>	<b>-</b>	<b>38,500.00</b>	<b>(38,500.00)</b>	<b>-</b>	<b>(38,500.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Instruction</b>	<b>137,715.00</b>	<b>7,640,644.17</b>	<b>7,778,359.17</b>	<b>(96,146.78)</b>	<b>830,456.25</b>	<b>734,309.47</b>	<b>41,568.22</b>	<b>8,471,100.42</b>	<b>8,512,668.64</b>	<b>34,951.22</b>	<b>7,817,791.55</b>	<b>7,852,742.77</b>
Undistributed Expenditures - Instruction:												
Tuition to Other LEAs Within the State - Regular	300.00		300.00	176,111.46		176,111.46	176,411.46		176,411.46	103,195.46		103,195.46
Tuition to Other LEAs Within the State - Special	67,000.00		67,000.00	117,410.62		117,410.62	184,410.62		184,410.62	178,423.34		178,423.34
Tuition-County Voc.-Regular	56,037.50		56,037.50	43,307.00		43,307.00	99,344.50		99,344.50	99,344.50		99,344.50
Tuition to Vocational School Districts - Special	1,500.00		1,500.00	(1,500.00)		(1,500.00)						
Tuition to CSSD & Regional Day Schools	1,470,000.00		1,470,000.00	(8,969.25)		(8,969.25)	1,461,030.75		1,461,030.75	1,461,030.75		1,461,030.75
Tuition to Private Schools for the Disabled - Within State	601,654.11		601,654.11	(530,989.86)		(530,989.86)	70,664.25		70,664.25	65,970.27		65,970.27
Tuition - State Facilities	162,443.00		162,443.00	(100,018.00)		(100,018.00)	62,425.00		62,425.00	62,425.00		62,425.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,358,934.61</b>	<b>-</b>	<b>2,358,934.61</b>	<b>(304,648.03)</b>	<b>-</b>	<b>(304,648.03)</b>	<b>2,054,286.58</b>	<b>-</b>	<b>2,054,286.58</b>	<b>1,970,389.32</b>	<b>-</b>	<b>1,970,389.32</b>
Undist. Expend. - Attend. & Social Work												
Salaries		176,295.00	176,295.00		(5,279.54)	(5,279.54)		171,015.46	171,015.46		144,290.79	144,290.79
Other Purchased Services (400-500 series)	2,000.00		2,000.00	(2,000.00)		(2,000.00)						
Supplies and Materials	1,000.00		1,000.00	(1,000.00)		(1,000.00)						
Other Objects	750.00		750.00	(750.00)		(750.00)						
<b>Total Undist. Expend. - Attend. &amp; Social Work</b>	<b>3,750.00</b>	<b>176,295.00</b>	<b>180,045.00</b>	<b>(3,750.00)</b>	<b>(5,279.54)</b>	<b>(9,029.54)</b>	<b>-</b>	<b>171,015.46</b>	<b>171,015.46</b>	<b>-</b>	<b>144,290.79</b>	<b>144,290.79</b>
Undist. Expend. - Health Services												
Salaries		184,442.00	184,442.00		3,632.25	3,632.25		188,074.25	188,074.25		187,672.92	187,672.92
Purchased Professional and Technical Services	22,500.00		22,500.00				22,500.00		22,500.00	22,500.00		22,500.00
Supplies and Materials		250.00	250.00		3,311.50	3,311.50		3,561.50	3,561.50		3,506.21	3,506.21
<b>Total Undist. Expend. - Health Services</b>	<b>22,500.00</b>	<b>184,692.00</b>	<b>207,192.00</b>	<b>-</b>	<b>7,797.75</b>	<b>7,797.75</b>	<b>22,500.00</b>	<b>192,489.75</b>	<b>214,989.75</b>	<b>22,500.00</b>	<b>192,033.13</b>	<b>214,533.13</b>
Undist. Expend. - Speech, OT, PT & Related Svcs												
Salaries	151,766.00		151,766.00	(90,438.00)		(90,438.00)	61,328.00		61,328.00	61,328.00		61,328.00
Purchased Professional - Educational Services	110,454.80		110,454.80	(65,975.50)		(65,975.50)	44,479.30		44,479.30	35,784.30		35,784.30
Supplies and Materials	1,500.00		1,500.00	3,722.49		3,722.49	5,222.49		5,222.49	5,222.49		5,222.49
Other Objects	300.00		300.00	874.00		874.00	1,174.00		1,174.00	1,174.00		1,174.00
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Svcs</b>	<b>264,020.80</b>	<b>-</b>	<b>264,020.80</b>	<b>(151,817.01)</b>	<b>-</b>	<b>(151,817.01)</b>	<b>112,203.79</b>	<b>-</b>	<b>112,203.79</b>	<b>103,508.79</b>	<b>-</b>	<b>103,508.79</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.												
Salaries	\$ 194,224.00		\$ 194,224.00	\$ (28,162.19)		\$ (28,162.19)	\$ 166,061.81		\$ 166,061.81	\$ 166,061.81		\$ 166,061.81
Purchased Professional - Educational Services	175,000.00		175,000.00	(90,000.00)		(90,000.00)	85,000.00		85,000.00	13,396.75		13,396.75
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>369,224.00</b>	<b>-</b>	<b>369,224.00</b>	<b>(118,162.19)</b>	<b>-</b>	<b>(118,162.19)</b>	<b>251,061.81</b>	<b>-</b>	<b>251,061.81</b>	<b>179,458.56</b>	<b>-</b>	<b>179,458.56</b>
Undist. Expend. - Guidance												
Salaries of Other Professional Staff		\$ 313,217.00	313,217.00		\$ (44,464.84)	(44,464.84)		\$ 268,752.16	268,752.16		\$ 268,597.16	268,597.16
Salaries of Secretarial and Clerical Assistants		35,746.00	35,746.00		1,910.80	1,910.80		37,656.80	37,656.80		37,656.80	37,656.80
Other Salaries		24,390.00	24,390.00		(2,705.48)	(2,705.48)		21,684.52	21,684.52		1,971.32	1,971.32
Other Purchased Prof. and Tech. Services		16,194.00	16,194.00		4,923.00	4,923.00		21,117.00	21,117.00		11,259.00	11,259.00
Other Purchased Services (400-500 series)		1,198.50	1,198.50		1,361.00	1,361.00		2,559.50	2,559.50		772.50	772.50
Supplies and Materials		10,000.00	10,000.00		(1,678.66)	(1,678.66)		8,321.34	8,321.34		7,728.36	7,728.36
Other Objects		899.00	899.00		(500.00)	(500.00)		399.00	399.00		399.00	399.00
<b>Total Undist. Expend. - Guidance</b>	<b>-</b>	<b>401,644.50</b>	<b>401,644.50</b>	<b>-</b>	<b>(41,154.18)</b>	<b>(41,154.18)</b>	<b>-</b>	<b>360,490.32</b>	<b>360,490.32</b>	<b>-</b>	<b>328,384.14</b>	<b>328,384.14</b>
Undist. Expend. - Child Study Teams												
Salaries of Other Professional Staff	353,173.00		353,173.00	1,839.73		1,839.73	355,012.73		355,012.73	355,012.73		355,012.73
Salaries of Secretarial and Clerical Assistants	96,734.00		96,734.00	(42,076.95)		(42,076.95)	54,657.05		54,657.05	54,657.05		54,657.05
Purchased Professional - Educational Services	83,000.00		83,000.00	122,387.13		122,387.13	205,387.13		205,387.13	205,387.13		205,387.13
Other Purchased Prof. and Tech. Services	105,000.00		105,000.00	30,675.59		30,675.59	135,675.59		135,675.59	132,385.09		132,385.09
Mis. Purchase Serv. (400-500 series)				3,915.52		3,915.52	3,915.52		3,915.52	3,915.52		3,915.52
Supplies and Materials	2,500.00		2,500.00	(1,731.11)		(1,731.11)	768.89		768.89	768.89		768.89
Other Objects	500.00		500.00	(487.50)		(487.50)	12.50		12.50	12.50		12.50
<b>Total Undist. Expend. - Child Study Teams</b>	<b>640,907.00</b>	<b>-</b>	<b>640,907.00</b>	<b>114,522.41</b>	<b>-</b>	<b>114,522.41</b>	<b>755,429.41</b>	<b>-</b>	<b>755,429.41</b>	<b>752,138.91</b>	<b>-</b>	<b>752,138.91</b>
Undist. Expend. - Improvement of Inst. Serv.												
Salaries of Other Professional Staff	117,828.00		117,828.00	(333.90)		(333.90)	117,494.10		117,494.10	114,065.10		114,065.10
Salaries of Secr and Clerical Assist.	12,500.00		12,500.00	(1,990.00)		(1,990.00)	10,510.00		10,510.00	10,510.00		10,510.00
Other Salaries					10,325.00	10,325.00		10,325.00	10,325.00		10,325.00	10,325.00
Purchased Prof- Educational Services		15,000.00	15,000.00		14,650.00	14,650.00		29,650.00	29,650.00		29,650.00	29,650.00
Other Purch Services (400-500)	3,500.00		3,500.00	(1,800.53)		(1,800.53)	1,699.47		1,699.47	1,699.47		1,699.47
Supplies and Materials	250.00		250.00	(250.00)		(250.00)						
Other Objects	1,000.00		1,000.00	(80.00)		(80.00)	920.00		920.00	920.00		920.00
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>135,078.00</b>	<b>15,000.00</b>	<b>150,078.00</b>	<b>(4,454.43)</b>	<b>24,975.00</b>	<b>20,520.57</b>	<b>130,623.57</b>	<b>39,975.00</b>	<b>170,598.57</b>	<b>127,194.57</b>	<b>39,975.00</b>	<b>167,169.57</b>
Undist. Expend. - Edu. Media Serv./Sch. Library												
Salaries		148,245.00	148,245.00		4,552.50	4,552.50		152,797.50	152,797.50		151,674.50	151,674.50
Salaries of Technology Coordinators		154,665.00	154,665.00		(695.00)	(695.00)		153,970.00	153,970.00		149,627.64	149,627.64
Purchased Professional and Technical Services		1,500.00	1,500.00		2,103.68	2,103.68		3,603.68	3,603.68		3,603.68	3,603.68
Supplies and Materials		3,750.00	3,750.00		15.80	15.80		3,765.80	3,765.80		279.00	279.00
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>-</b>	<b>308,160.00</b>	<b>308,160.00</b>	<b>-</b>	<b>5,976.98</b>	<b>5,976.98</b>	<b>-</b>	<b>314,136.98</b>	<b>314,136.98</b>	<b>-</b>	<b>305,184.82</b>	<b>305,184.82</b>
Undist. Expend. - Instructional Staff Training Serv.												
Purchased Professional - Educational Service		500.00	500.00		2,400.00	2,400.00		2,400.00	2,400.00		2,400.00	2,400.00
Other Purchased Services (400-500 series)					(500.00)	(500.00)						
Supplies and Materials	1,000.00	500.00	1,500.00	(750.00)	(500.00)	(1,250.00)	250.00		250.00	250.00		250.00
Other Objects	750.00		750.00	(750.00)		(750.00)						
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>1,750.00</b>	<b>1,000.00</b>	<b>2,750.00</b>	<b>(1,500.00)</b>	<b>1,400.00</b>	<b>(100.00)</b>	<b>250.00</b>	<b>2,400.00</b>	<b>2,650.00</b>	<b>250.00</b>	<b>2,400.00</b>	<b>2,650.00</b>
Undist. Expend. - Supp. Serv. - General Admin.												
Salaries	213,857.00		213,857.00	(36,621.18)		(36,621.18)	177,235.82		177,235.82	176,959.36		176,959.36
Legal Services	225,000.00		225,000.00	(117,822.51)		(117,822.51)	107,177.49		107,177.49	94,729.05		94,729.05
Audit Fees	47,000.00		47,000.00	7,500.00		7,500.00	54,500.00		54,500.00			
Architectural/Engineering Services				22,500.00		22,500.00	22,500.00		22,500.00	22,500.00		22,500.00
Other Purchased Professional Services	3,000.00		3,000.00	(1,350.00)		(1,350.00)	1,650.00		1,650.00	1,650.00		1,650.00
Communications/Telephone	341,887.92		341,887.92	94,055.51		94,055.51	435,943.43		435,943.43	402,249.43		402,249.43
BOE Other Purchased Services	10,000.00		10,000.00	(9,550.00)		(9,550.00)	450.00		450.00	450.00		450.00
Miscellaneous Purchased Services	145,000.00		145,000.00	122,207.53		122,207.53	267,207.53		267,207.53	267,207.53		267,207.53
Supplies and Materials	4,500.00		4,500.00	(2,022.06)		(2,022.06)	2,477.94		2,477.94	1,874.99		1,874.99
BOE In-House Training/Meeting Supplies	6,650.00		6,650.00	1,488.85		1,488.85	8,138.85		8,138.85	2,642.85		2,642.85
Miscellaneous Expenditures	2,750.00		2,750.00	12,764.50		12,764.50	15,514.50		15,514.50	15,514.50		15,514.50
BOE Membership Dues and Fees	9,500.00		9,500.00	(3,000.00)		(3,000.00)	6,500.00		6,500.00			
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>1,009,144.92</b>	<b>-</b>	<b>1,009,144.92</b>	<b>90,150.64</b>	<b>-</b>	<b>90,150.64</b>	<b>1,099,295.56</b>	<b>-</b>	<b>1,099,295.56</b>	<b>985,777.71</b>	<b>-</b>	<b>985,777.71</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Support Serv. - School Admin.												
Salaries of Principals/Assistant Principals		\$ 722,069.00	\$ 722,069.00		\$ 1,716.92	\$ 1,716.92		\$ 723,785.92	\$ 723,785.92		\$ 700,807.92	\$ 700,807.92
Salaries of Other Professional Staff	\$ 122,431.00		122,431.00	\$ (37,338.11)		(37,338.11)	\$ 85,092.89		85,092.89	\$ 83,552.46		83,552.46
Salaries of Secretarial and Clerical Assistants		94,370.00	94,370.00		21,206.05	21,206.05		115,576.05	115,576.05		115,576.05	115,576.05
Purchased Professional and Technical Services	52,500.00	2,000.00	54,500.00	242,430.00	776.00	243,206.00	294,930.00	2,776.00	297,706.00	294,930.00	2,646.00	297,576.00
Other Purchased Services (400-500 series)		13,000.00	13,000.00		3,002.31	3,002.31		16,002.31	16,002.31		15,018.59	15,018.59
Supplies and Materials		9,192.15	9,192.15		8,538.45	8,538.45		17,730.60	17,730.60		10,050.61	10,050.61
Other Objects		89,658.54	89,658.54		38,036.73	38,036.73		127,695.27	127,695.27		125,653.08	125,653.08
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>174,931.00</b>	<b>930,289.69</b>	<b>1,105,220.69</b>	<b>205,091.89</b>	<b>73,276.46</b>	<b>278,368.35</b>	<b>380,022.89</b>	<b>1,003,566.15</b>	<b>1,383,589.04</b>	<b>378,482.46</b>	<b>969,752.25</b>	<b>1,348,234.71</b>
Undistributed Expenditures - Central Services												
Salaries	255,894.00		255,894.00	3,156.25		3,156.25	259,050.25		259,050.25	247,535.99		247,535.99
Purchased Professional Services	18,000.00		18,000.00	85,780.90		85,780.90	103,780.90		103,780.90	72,601.90		72,601.90
Misc. Purch. Services (400-500 Series)	6,996.25		6,996.25	2,765.09		2,765.09	9,761.34		9,761.34	9,761.34		9,761.34
Supplies and Materials	6,827.00		6,827.00	(2,955.27)		(2,955.27)	3,871.73		3,871.73	3,838.23		3,838.23
Miscellaneous Expenditures	500.00		500.00	100.00		100.00	600.00		600.00	600.00		600.00
<b>Total Undist. Expend. - Central Services</b>	<b>288,217.25</b>	<b>-</b>	<b>288,217.25</b>	<b>88,846.97</b>	<b>-</b>	<b>88,846.97</b>	<b>377,064.22</b>	<b>-</b>	<b>377,064.22</b>	<b>334,337.46</b>	<b>-</b>	<b>334,337.46</b>
Undist. Expend. -Required Maintenance for School Facilities												
Cleaning, Repair, and Maintenance Services	85,843.50		85,843.50	13,983.10		13,983.10	99,826.60		99,826.60	70,122.92		70,122.92
General Supplies	53,970.42		53,970.42	33,198.42		33,198.42	87,168.84		87,168.84	54,581.78		54,581.78
<b>Total Undist. Expend. -Required Maint. for School Facilities</b>	<b>139,813.92</b>	<b>-</b>	<b>139,813.92</b>	<b>47,181.52</b>	<b>-</b>	<b>47,181.52</b>	<b>186,995.44</b>	<b>-</b>	<b>186,995.44</b>	<b>124,704.70</b>	<b>-</b>	<b>124,704.70</b>
Undist. Expend. - Other Oper. & Maint. Of Plant												
Salaries	666,294.00		666,294.00	97,784.65		97,784.65	764,078.65		764,078.65	760,966.98		760,966.98
Purchased Professional and Technical Services	18,450.00		18,450.00	(1,184.17)		(1,184.17)	17,265.83		17,265.83	15,606.40		15,606.40
Cleaning, Repair and Maintenance Services	46,641.90		46,641.90	(9,716.35)		(9,716.35)	36,925.55		36,925.55	34,344.56		34,344.56
Other Purchased Property Services	37,500.00		37,500.00	5,725.68		5,725.68	43,225.68		43,225.68	41,959.68		41,959.68
Insurance	92,000.00		92,000.00	(9,557.02)		(9,557.02)	82,442.98		82,442.98	82,442.98		82,442.98
Miscellaneous Purchased Services	4,047.29		4,047.29	(2,990.20)		(2,990.20)	1,057.09		1,057.09	1,057.09		1,057.09
General Supplies	78,899.91		78,899.91	(38,301.01)		(38,301.01)	40,598.90		40,598.90	38,680.42		38,680.42
Energy - Natural Gas	85,000.00		85,000.00	(5,000.00)		(5,000.00)	80,000.00		80,000.00	70,242.43		70,242.43
Energy - Electricity	525,000.00		525,000.00	(242,780.84)		(242,780.84)	282,219.16		282,219.16	282,219.16		282,219.16
Energy - Gasoline	7,000.00		7,000.00	-		-	7,000.00		7,000.00	6,058.02		6,058.02
Other Objects	15,000.00		15,000.00	(12,762.02)		(12,762.02)	2,237.98		2,237.98	895.85		895.85
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>1,575,833.10</b>	<b>-</b>	<b>1,575,833.10</b>	<b>(218,781.28)</b>	<b>-</b>	<b>(218,781.28)</b>	<b>1,357,051.82</b>	<b>-</b>	<b>1,357,051.82</b>	<b>1,334,473.57</b>	<b>-</b>	<b>1,334,473.57</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>1,715,647.02</b>	<b>-</b>	<b>1,715,647.02</b>	<b>(171,599.76)</b>	<b>-</b>	<b>(171,599.76)</b>	<b>1,544,047.26</b>	<b>-</b>	<b>1,544,047.26</b>	<b>1,459,178.27</b>	<b>-</b>	<b>1,459,178.27</b>
Undist. Expend. - Care and Upkeep of Grounds												
Salaries				22,131.29		22,131.29	22,131.29		22,131.29	21,039.63		21,039.63
Purchased Professional and Technical Services	25,000.00		25,000.00	(22,370.00)		(22,370.00)	2,630.00		2,630.00	2,630.00		2,630.00
Cleaning, Repair and Maintenance Services	255.70		255.70	4,607.40		4,607.40	4,863.10		4,863.10	3,863.10		3,863.10
General Supplies	2,370.00		2,370.00	442.01		442.01	2,812.01		2,812.01	2,457.00		2,457.00
Other Objects				12,318.50		12,318.50	12,318.50		12,318.50	12,318.50		12,318.50
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>27,625.70</b>	<b>-</b>	<b>27,625.70</b>	<b>17,129.20</b>	<b>-</b>	<b>17,129.20</b>	<b>44,754.90</b>	<b>-</b>	<b>44,754.90</b>	<b>42,308.23</b>	<b>-</b>	<b>42,308.23</b>
Undist. Expend. - Security												
Salaries		106,815.00	106,815.00		3,253.73	3,253.73		110,068.73	110,068.73		109,828.73	109,828.73
Purchased Professional and Technical Services		7,000.00	7,000.00		4,060.00	4,060.00		11,060.00	11,060.00		11,040.00	11,040.00
<b>Total Undist. Expend. - Security</b>	<b>-</b>	<b>113,815.00</b>	<b>113,815.00</b>	<b>-</b>	<b>7,313.73</b>	<b>7,313.73</b>	<b>-</b>	<b>121,128.73</b>	<b>121,128.73</b>	<b>-</b>	<b>120,868.73</b>	<b>120,868.73</b>
Undist. Expend. - Student Transportation Serv.												
Contract Serv (Aid in Lieu of Payment - Choice School)	80,500.00		80,500.00	(26,821.37)		(26,821.37)	53,678.63		53,678.63	53,678.63		53,678.63
Contract Serv (Other than Bet. Home & School)-Vendors		5,000.00	5,000.00	4,620.99	179,557.93	184,178.92	4,620.99	184,557.93	189,178.92	4,620.99	70,883.91	75,504.90
Contract Serv (Between Home and Sch) - Joint Agrmts	1,935.36		1,935.36	5,949.47		5,949.47	7,884.83		7,884.83	7,884.83		7,884.83
Contr Serv (Spl. Ed. Students) - Joint Agrmt	555,000.00		555,000.00	(111,792.00)		(111,792.00)	443,208.00		443,208.00	443,208.00		443,208.00
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>637,435.36</b>	<b>5,000.00</b>	<b>642,435.36</b>	<b>(128,042.91)</b>	<b>179,557.93</b>	<b>51,515.02</b>	<b>509,392.45</b>	<b>184,557.93</b>	<b>693,950.38</b>	<b>509,392.45</b>	<b>70,883.91</b>	<b>580,276.36</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
UNALLOCATED BENEFITS												
Social Security Contributions	\$ 220,500.00		\$ 220,500.00	\$ 42,591.98		\$ 42,591.98	\$ 263,091.98		\$ 263,091.98	\$ 263,091.98		\$ 263,091.98
Other Retirement Contributions - PERS	380,000.00		380,000.00	(24,484.00)		(24,484.00)	355,516.00		355,516.00	355,516.00		355,516.00
Unemployment Compensation	83,000.00		83,000.00	15,447.98		15,447.98	98,447.98		98,447.98			98,447.98
Workmen's Compensation	230,082.00		230,082.00				230,082.00		230,082.00	170,652.20		170,652.20
Health Benefits	1,281,325.81	\$ 3,313,634.59	4,594,960.40	(124,347.04)	\$ (1,243,279.36)	(1,367,626.40)	1,156,978.77	\$ 2,070,355.23	3,227,334.00	1,156,220.02	\$ 1,831,794.74	2,988,014.76
Tuition Reimbursement	15,000.00		15,000.00	(15,000.00)		(15,000.00)						
Other Employee Benefits	90,000.00	138,152.00	228,152.00	(28,984.49)	158,958.98	129,974.49	61,015.51	297,110.98	358,126.49	61,015.49	296,794.45	357,809.94
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>2,299,907.81</b>	<b>3,451,786.59</b>	<b>5,751,694.40</b>	<b>(134,775.57)</b>	<b>(1,084,320.38)</b>	<b>(1,219,095.95)</b>	<b>2,165,132.24</b>	<b>2,367,466.21</b>	<b>4,532,598.45</b>	<b>2,006,495.69</b>	<b>2,128,589.19</b>	<b>4,135,084.88</b>
On-Behalf Contributions												
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										847,142.00		847,142.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										2,652,731.00		2,652,731.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)										1,226.00		1,226.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)										50,472.00		50,472.00
Reimbursed TPAF Social Security (Non-Budgeted)										711,963.84		711,963.84
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,263,534.84</b>	<b>-</b>	<b>4,263,534.84</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,299,907.81</b>	<b>3,451,786.59</b>	<b>5,751,694.40</b>	<b>(134,775.57)</b>	<b>(1,084,320.38)</b>	<b>(1,219,095.95)</b>	<b>2,165,132.24</b>	<b>2,367,466.21</b>	<b>4,532,598.45</b>	<b>6,270,030.53</b>	<b>2,128,589.19</b>	<b>8,398,619.72</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>9,949,073.47</b>	<b>5,587,682.78</b>	<b>15,536,756.25</b>	<b>(503,008.79)</b>	<b>(830,456.25)</b>	<b>(1,333,465.04)</b>	<b>9,446,064.68</b>	<b>4,757,226.53</b>	<b>14,203,291.21</b>	<b>13,134,947.26</b>	<b>4,302,361.96</b>	<b>17,437,309.22</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>10,086,788.47</b>	<b>13,228,326.95</b>	<b>23,315,115.42</b>	<b>(599,155.57)</b>	<b>-</b>	<b>(599,155.57)</b>	<b>9,487,632.90</b>	<b>13,228,326.95</b>	<b>22,715,959.85</b>	<b>13,169,898.48</b>	<b>12,120,153.51</b>	<b>25,290,051.99</b>
CAPITAL OUTLAY												
Facilities Acquisition and Construction Services												
Construction Services	3,600.00	89,029.11	92,629.11	599,155.57	-	599,155.57	602,755.57	89,029.11	691,784.68	250,187.23	-	250,187.23
Total Facilities Acquisition and Construction Services	3,600.00	89,029.11	92,629.11	599,155.57	-	599,155.57	602,755.57	89,029.11	691,784.68	250,187.23	-	250,187.23
Increase in Impact Aid Reserve (Capital)	3,367.00	-	3,367.00	-	-	-	3,367.00	-	3,367.00	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>6,967.00</b>	<b>89,029.11</b>	<b>95,996.11</b>	<b>599,155.57</b>	<b>-</b>	<b>599,155.57</b>	<b>606,122.57</b>	<b>89,029.11</b>	<b>695,151.68</b>	<b>250,187.23</b>	<b>-</b>	<b>250,187.23</b>
<b>TOTAL EXPENDITURES</b>	<b>10,093,755.47</b>	<b>13,317,356.06</b>	<b>23,411,111.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,093,755.47</b>	<b>13,317,356.06</b>	<b>23,411,111.53</b>	<b>13,420,085.71</b>	<b>12,120,153.51</b>	<b>25,540,239.22</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,092,365.53	(13,317,356.06)	(1,224,990.53)	-	-	-	12,092,365.53	(13,317,356.06)	(1,224,990.53)	12,955,002.36	(12,120,153.51)	834,848.85
Other Financing Sources (Uses):												
Operating Transfers Out:												
Contr. to Whole School Reform - General Fund	(12,913,783.00)		(12,913,783.00)				(12,913,783.00)		(12,913,783.00)	(11,818,667.67)		(11,818,667.67)
Operating Transfers In:												
Contr. to Whole School Reform - General Fund		12,913,783.00	12,913,783.00					12,913,783.00	12,913,783.00		11,818,667.67	11,818,667.67
Total Other Financing Sources (Uses):	(12,913,783.00)	12,913,783.00	-	-	-	-	(12,913,783.00)	12,913,783.00	-	(11,818,667.67)	11,818,667.67	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(821,417.47)	(403,573.06)	(1,224,990.53)	-	-	-	(821,417.47)	(403,573.06)	(1,224,990.53)	1,136,334.69	(301,485.84)	834,848.85
Fund Balance, July 1	613,028.42	403,573.06	1,016,601.48	-	-	-	613,028.42	403,573.06	1,016,601.48	613,028.42	403,573.06	1,016,601.48
Fund Balance, June 30	\$ (208,389.05)	\$ -	\$ (208,389.05)	\$ -	\$ -	\$ -	\$ (208,389.05)	\$ -	\$ (208,389.05)	\$ 1,749,363.11	\$ 102,087.22	\$ 1,851,450.33

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Other Local Programs	\$ 153,475.09	\$ 105,424.14	\$ 258,899.23	\$ 138,012.14	\$ 120,887.09
Total - Local Sources	153,475.09	105,424.14	258,899.23	138,012.14	120,887.09
State Sources:					
Preschool Education	2,362,060.00		2,362,060.00	2,240,738.93	121,321.07
Other State Programs	546,132.00	(218,513.00)	327,619.00	295,950.01	31,668.99
Total - State Sources	2,908,192.00	(218,513.00)	2,689,679.00	2,536,688.94	152,990.06
Federal Sources:					
Title I	872,829.27		872,829.27	835,045.51	37,783.76
Title I, SIA	53,800.00	6,700.00	60,500.00	47,937.98	12,562.02
Title II	109,130.76		109,130.76	94,247.00	14,883.76
Title IV	75,098.00	(6,878.00)	68,220.00	62,880.00	5,340.00
I.D.E.A., Part B	370,003.00	(9,359.00)	360,644.00	360,644.00	
I.D.E.A., Part B, Preschool Incentive	8,472.00		8,472.00	8,472.00	
Vocational-Federal Secondary	15,050.00		15,050.00	15,050.00	
Coronavirus Relief Fund	133,392.00		133,392.00	126,390.12	7,001.88
CRRSA - ESSER	2,970,324.00		2,970,324.00	119,787.70	2,850,536.30
Learning Acceleration	52,098.00		52,098.00	52,098.00	
Digital Divide	276,349.00		276,349.00	276,349.00	
CARES Act	1,111,144.00		1,111,144.00	575,577.39	535,566.61
Total - Federal Sources	6,047,690.03	(9,537.00)	6,038,153.03	2,574,478.70	3,463,674.33
Total Revenues	9,109,357.12	(122,625.86)	8,986,731.26	5,249,179.78	3,737,551.48
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	345,424.00	(30,707.98)	314,716.02	287,111.86	27,604.16
Salaries of Teachers	1,162,344.00	(368,894.44)	793,449.56	752,178.08	41,271.48
Other Salaries for Instruction	296,781.00	(1,816.50)	294,964.50	252,497.34	42,467.16
Purchased Professional and Technical Services	53,516.00	45,000.00	98,516.00	72,060.00	26,456.00
Other Purchased Services (400-500 series)	55,367.00		55,367.00	55,367.00	
Tuition	314,636.00	(9,359.00)	305,277.00	305,277.00	
Supplies and Material	536,414.00	(19,259.00)	517,155.00	318,094.59	199,060.41
General Supplies	426,540.00		426,540.00		426,540.00
Other Objects	344,416.00	39,616.23	384,032.23	376,959.35	7,072.88
Total Instruction	3,535,438.00	(345,420.69)	3,190,017.31	2,419,545.22	770,472.09
Support Services:					
Salaries	201,365.00	(26,431.54)	174,933.46	159,414.93	15,518.53
Salaries of Principals/Asst. Principals/Program Directors	98,902.00	2,146.00	101,048.00	100,844.80	203.20
Salaries of Other Professional Staff	268,004.26	43,216.15	311,220.41	273,678.88	37,541.53
Salaries of Secretarial and Clerical Assistants	78,508.01	(32,642.33)	45,865.68	39,238.31	6,627.37
Salaries - Other Salaries for Instruction	1,936.00		1,936.00	1,903.00	33.00
Salaries - Other	69,693.00	(1,223.23)	68,469.77	68,469.77	
Salaries of Master Teachers	86,832.00	(17,551.19)	69,280.81	69,280.81	
Personal Services - Employee Benefits	960,476.38	21,876.66	982,353.04	962,231.27	20,121.77
Purchased Professional and Technical Services	269,053.03	(1.40)	269,051.63	241,173.87	27,877.76
Cleaning, Repair & Maintenance Services		2,500.00	2,500.00	2,500.00	
Rentals		3,069.50	3,069.50	3,069.50	
Other Purchased Services (400-500 series)	373,884.00	9,630.01	383,514.01	377,504.66	6,009.35
Travel	844.00	(407.00)	437.00		437.00
Miscellaneous Purchased Service	25,000.00	72,751.20	97,751.20	96,989.36	761.84
Supplies and Material	126,168.00	75,475.09	201,643.09	175,578.90	26,064.19
General Supplies	66,696.00	(40,916.23)	25,779.77	25,779.77	
Other Objects	128,313.35	5,879.00	134,192.35	126,552.59	7,639.76
Scholarships Awarded	85,114.77	3,619.45	88,734.22	11,200.00	77,534.22
Student Activities	55,258.32	101,804.69	157,063.01	109,516.64	47,546.37
Total Support Services	2,896,048.12	222,794.83	3,118,842.95	2,844,927.06	273,915.89

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Facilities Acquisition/Construction:					
Construction Services	\$ 2,672,269.00		\$ 2,672,269.00		\$ 2,672,269.00
Buildings	5,602.00		5,602.00		5,602.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>2,677,871.00</b>	-	<b>2,677,871.00</b>	-	<b>2,677,871.00</b>
<b>Total Expenditures</b>	<b>9,109,357.12</b>	<b>\$ (122,625.86)</b>	<b>8,986,731.26</b>	<b>\$ 5,264,472.28</b>	<b>3,722,258.98</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,292.50)</b>	<b>15,292.50</b>
Fund Balance, July 1				-	
Prior Period Adjustment				140,640.92	
Fund Balance, July 1 (Restated)				140,640.92	
Fund Balance, June 30				<u>\$ 125,348.42</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 77,534.22	
Uniform Trust				267.83	
Student Activities				<u>47,546.37</u>	
<b>Total Fund Balance</b>				<u><b>\$ 125,348.42</b></u>	

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 26,375,088.07	\$ 5,249,179.78
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(218,598.28)
Prior Year		630,214.32
The June 2020 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	1,603,239.00	226,860.90
The June 2021 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(1,654,310.00)</u>	<u>(234,630.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 26,324,017.07</u>	<u>\$ 5,653,026.72</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 25,540,239.22	\$ 5,264,472.28
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(218,598.28)
Prior Year		630,214.32
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 25,540,239.22</u>	<u>\$ 5,676,088.32</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Eight Plan Years

	Measurement Date Ending June 30,							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0324982990%	0.0322089287%	0.0343480400%	0.0350030635%	0.0382403717%	0.03731547430%	0.0377813500%	0.0349458710%
School District's Proportionate Share of the Net Pension Liability	\$ 5,299,623.00	\$ 5,803,560.00	\$ 6,762,957.00	\$ 8,148,154.00	\$ 11,325,701.00	\$ 8,376,576.00	\$ 7,073,702.00	\$ 6,678,850.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,547,420.00	\$ 2,430,924.00	\$ 2,566,888.00	\$ 2,565,656.00	\$ 2,795,608.00	\$ 2,760,036.00	\$ 2,738,892.00	\$ 2,580,056.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.04%	238.74%	263.47%	317.59%	405.12%	303.50%	258.27%	258.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Eight Fiscal Years

	Fiscal Year Ended June 30,							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 368,983.00	\$ 355,516.00	\$ 313,298.00	\$ 341,652.00	\$ 324,266.00	\$ 339,722.00	\$ 320,813.00	\$ 311,464.00
Contributions in Relation to the Contractually Required Contribution	<u>(368,983.00)</u>	<u>(355,516.00)</u>	<u>(313,298.00)</u>	<u>(341,652.00)</u>	<u>(324,266.00)</u>	<u>(339,722.00)</u>	<u>(320,813.00)</u>	<u>(311,464.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,256,970.00	\$ 2,387,836.00	\$ 2,415,075.00	\$ 2,289,251.00	\$ 2,377,798.00	\$ 2,445,899.00	\$ 2,588,244.00	\$ 2,557,351.00
Contributions as a Percentage of School District's Covered Payroll	16.35%	14.89%	12.97%	14.92%	13.64%	13.89%	12.40%	12.18%

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Eight Plan Years

	Measurement Date Ending June 30,							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>61,774,066.00</u>	<u>60,836,654.00</u>	<u>61,299,907.00</u>	<u>65,528,863.00</u>	<u>80,817,071.00</u>	<u>67,334,061.00</u>	<u>56,769,558.00</u>	<u>56,554,811.00</u>
	<u>\$ 61,774,066.00</u>	<u>\$ 60,836,654.00</u>	<u>\$ 61,299,907.00</u>	<u>\$ 65,528,863.00</u>	<u>\$ 80,817,071.00</u>	<u>\$ 67,334,061.00</u>	<u>\$ 56,769,558.00</u>	<u>\$ 56,554,811.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 11,711,884.00	\$ 11,850,992.00	\$ 12,163,332.00	\$ 11,866,184.00	\$ 11,623,172.00	\$ 12,028,444.00	\$ 12,408,732.00	\$ 12,292,876.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	527.45%	513.35%	503.97%	552.23%	695.31%	559.79%	457.50%	460.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**CITY OF SALEM SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of the School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

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

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

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

**Teachers' Pension and Annuity Fund (TPAF)**

***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

**Public Employees' Retirement System (PERS)**

***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

REQUIRED SUPPLEMENTARY INFORMATION  
PART IV

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

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>				
Changes for the Year:				
Service Cost	\$ 1,786,010.00	\$ 1,813,818.00	\$ 2,172,787.00	\$ 2,613,353.00
Interest Cost	1,504,482.00	1,865,354.00	2,100,631.00	1,807,849.00
Difference Between Expected and Actual Experience	10,998,482.00	(8,299,047.00)	(7,769,069.00)	-
Changes in Assumptions	12,273,184.00	622,667.00	(5,393,784.00)	(7,494,251.00)
Gross Benefit Payments	35,454.00	(1,281,952.00)	(1,256,833.00)	(1,322,683.00)
Member Contributions	(1,169,711.00)	38,001.00	43,438.00	48,705.00
Net Change in Total Non-Employer OPEB Liability	25,427,901.00	(5,241,159.00)	(10,102,830.00)	(4,347,027.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>41,761,444.00</u>	<u>47,002,603.00</u>	<u>57,105,433.00</u>	<u>61,452,460.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 67,189,345.00</u>	<u>\$ 41,761,444.00</u>	<u>\$ 47,002,603.00</u>	<u>\$ 57,105,433.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 11,344,554.00</u>	<u>\$ 12,630,791.00</u>	<u>\$ 12,422,859.00</u>	<u>\$ 12,119,110.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	592.26%	330.63%	378.36%	471.20%

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

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

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***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SCHOOL LEVEL SCHEDULES**

**CITY OF SALEM SCHOOL DISTRICT**  
 General Fund  
 Combining Balance Sheet  
 June 30, 2021

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 343,865.36		\$ 343,865.36
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 128,117.72	128,117.72
Special Revenue Fund	118,651.76		118,651.76
Capital Projects Fund	8,239.02		8,239.02
Intergovernmental Accounts Receivable:			
State	2,028,781.65		2,028,781.65
Other Accounts Receivable	400.00		400.00
<b>Total Assets</b>	<b>\$ 2,499,937.79</b>	<b>\$ 128,117.72</b>	<b>\$ 2,628,055.51</b>
<b>Liabilities and Fund Balances:</b>			
Accounts Payable	\$ 9,554.96	\$ 26,030.50	\$ 35,585.46
Payroll Deductions and Withholdings Payable	112,455.55		112,455.55
Interfund Accounts Payable:			
Blended Resource Fund (15)	128,117.72		128,117.72
Proprietary Fund - Food Service Fund	500,446.45		500,446.45
<b>Total Liabilities</b>	<b>750,574.68</b>	<b>26,030.50</b>	<b>776,605.18</b>
<b>Fund Balances:</b>			
Restricted:			
Maintenance Reserve	82,000.00		82,000.00
Assigned:			
Other Purposes	842,407.41	102,087.22	944,494.63
Unassigned	824,955.70		824,955.70
<b>Total Fund Balances</b>	<b>1,749,363.11</b>	<b>102,087.22</b>	<b>1,851,450.33</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,499,937.79</b>	<b>\$ 128,117.72</b>	<b>\$ 2,628,055.51</b>

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Combined Schedule of Expenditures Allocated by Resource Type - Actual  
 For the Fiscal Year Ended June 30, 2021

District-wide

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 12,913,783.00		\$ 11,716,580.45	\$ 1,197,202.55
General Fund Reserve for Encumbrances at June 30, 2020	403,573.06		403,573.06	
Combined General Fund Contribution & State Resources	<u>13,317,356.06</u>	<u>100.00%</u>	<u>12,120,153.51</u>	<u>1,197,202.55</u>
Totals	<u>\$ 13,317,356.06</u>	<u>100.00%</u>	<u>\$ 12,120,153.51</u>	<u>\$ 1,197,202.55</u>

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Expenditures Allocated by Resource Type - Actual  
 For the Fiscal Year Ended June 30, 2021

School: John Fenwick School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 2,520,097.00		\$ 2,108,852.91	\$ 411,244.09
General Fund Reserve for Encumbrances at June 30, 2020	13,435.94		13,435.94	
Combined General Fund Contribution & State Resources	<u>2,533,532.94</u>	<u>100.00%</u>	<u>2,122,288.85</u>	<u>411,244.09</u>
Totals	<u>\$ 2,533,532.94</u>	<u>100.00%</u>	<u>\$ 2,122,288.85</u>	<u>\$ 411,244.09</u>

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Expenditures Allocated by Resource Type - Actual  
 For the Fiscal Year Ended June 30, 2021

School: Salem Middle School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 4,574,773.00		\$ 3,978,765.85	\$ 596,007.15
General Fund Reserve for Encumbrances at June 30, 2020	139,352.57		139,352.57	
Combined General Fund Contribution & State Resources	<u>4,714,125.57</u>	<u>100.00%</u>	<u>4,118,118.42</u>	<u>596,007.15</u>
Totals	<u>\$ 4,714,125.57</u>	<u>100.00%</u>	<u>\$ 4,118,118.42</u>	<u>\$ 596,007.15</u>

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Expenditures Allocated by Resource Type - Actual  
 For the Fiscal Year Ended June 30, 2021

School: Salem High School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 5,818,913.00		\$ 5,628,961.69	\$ 189,951.31
General Fund Reserve for Encumbrances at June 30, 2020	250,784.55		250,784.55	
Combined General Fund Contribution & State Resources	<u>6,069,697.55</u>	<u>100.00%</u>	<u>5,879,746.24</u>	<u>189,951.31</u>
Totals	<u>\$ 6,069,697.55</u>	<u>100.00%</u>	<u>\$ 5,879,746.24</u>	<u>\$ 189,951.31</u>

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Combined Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 372,107.00	\$ 3,021.49	\$ 375,128.49	\$ 369,729.27	\$ 5,399.22
Grades 1-5 - Salaries of Teachers	1,685,164.00	73,782.43	1,758,946.43	1,526,042.22	232,904.21
Grades 6-8 - Salaries of Teachers	1,099,221.00	7,510.00	1,106,731.00	998,862.65	107,868.35
Grades 9-12 - Salaries of Teachers	2,240,658.00	48,981.01	2,289,639.01	2,289,639.01	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	165,998.00	413.00	166,411.00	147,684.26	18,726.74
Purchased Prof- Educational Services	7,501.00	8,394.00	15,895.00	15,895.00	
Purchased Technical Services	28,431.00	95,097.02	123,528.02	121,551.35	1,976.67
Other Purchased Services (400-500 series)	17,500.00	30,434.05	47,934.05	40,855.42	7,078.63
General Supplies	25,002.30	185,871.76	210,874.06	130,540.13	80,333.93
Textbooks	1,000.00	40,658.07	41,658.07	14,515.29	27,142.78
Other Objects	1,000.00	85,599.00	86,599.00	85,399.33	1,199.67
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,643,582.30</b>	<b>579,761.83</b>	<b>6,223,344.13</b>	<b>5,740,713.93</b>	<b>482,630.20</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities:					
Salaries of Teachers	738,258.00	5,408.00	743,666.00	644,933.60	98,732.40
Other Salaries for Instruction	9,149.00	13,242.00	22,391.00	450.00	21,941.00
Other Purchased Services (400-500 series)	1,000.00	500.00	1,500.00	1,500.00	
General Supplies		102.83	102.83	102.83	
<b>Total Multiple Disabilities</b>	<b>748,407.00</b>	<b>19,252.83</b>	<b>767,659.83</b>	<b>646,986.43</b>	<b>120,673.40</b>
Resource Room/Resource Center:					
Salaries of Teachers	477,107.00	(5,979.00)	471,128.00	464,658.79	6,469.21
General Supplies	300.00	(244.07)	55.93	55.93	
<b>Total Resource Room/Resource Center</b>	<b>477,407.00</b>	<b>(6,223.07)</b>	<b>471,183.93</b>	<b>464,714.72</b>	<b>6,469.21</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Combined Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 79,631.00	\$ 11,457.00	\$ 91,088.00	\$ 86,709.24	\$ 4,378.76
Other Salaries for Instruction		16,447.01	16,447.01	15,447.01	1,000.00
<b>Total Preschool Disabilities - Full-Time</b>	<b>79,631.00</b>	<b>27,904.01</b>	<b>107,535.01</b>	<b>102,156.25</b>	<b>5,378.76</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,305,445.00</b>	<b>40,933.77</b>	<b>1,346,378.77</b>	<b>1,213,857.40</b>	<b>132,521.37</b>
Vocational Programs - Local - Instruction					
Salaries of Teachers	466,114.00	(77,456.85)	388,657.15	388,657.15	
General Supplies	5,062.81	(5,000.00)	62.81	62.81	
<b>Total Vocational Programs - Local - Instruction</b>	<b>471,176.81</b>	<b>(82,456.85)</b>	<b>388,719.96</b>	<b>388,719.96</b>	<b>-</b>
School-Spon. Cocurricular Activities. - Inst.					
Salaries		11,993.52	11,993.52	11,111.50	882.02
Purchased Services (300-500 series)	6,926.00	(1,429.00)	5,497.00	5,497.00	
Supplies and Materials	1,000.00	(1,000.00)			
Other Objects	3,400.00	(2,964.88)	435.12	435.12	
<b>Total School-Spon. Cocurricular Activities. - Inst.</b>	<b>11,326.00</b>	<b>6,599.64</b>	<b>17,925.64</b>	<b>17,043.62</b>	<b>882.02</b>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	84,271.00	168,979.00	253,250.00	253,250.00	
Purchased Services (300-500 series)	54,713.58	21,639.24	76,352.82	75,502.82	850.00
Supplies and Materials	39,129.48	72,582.16	111,711.64	76,615.36	35,096.28
Other Objects	6,000.00	15,852.91	21,852.91	21,809.91	43.00
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<b>184,114.06</b>	<b>279,053.31</b>	<b>463,167.37</b>	<b>427,178.09</b>	<b>35,989.28</b>
Alternative Education Program - Inst.					
Purchased Prof-Technical Services	25,000.00	6,564.55	31,564.55	30,278.55	1,286.00
<b>Total Alternative Education Program - Inst.</b>	<b>25,000.00</b>	<b>6,564.55</b>	<b>31,564.55</b>	<b>30,278.55</b>	<b>1,286.00</b>
<b>Total Instruction</b>	<b>7,640,644.17</b>	<b>830,456.25</b>	<b>8,471,100.42</b>	<b>7,817,791.55</b>	<b>653,308.87</b>

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Combined Schedule of Blended Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undistributed Expend. - Attend. & Social Work Salaries	\$ 176,295.00	\$ (5,279.54)	\$ 171,015.46	\$ 144,290.79	\$ 26,724.67
Total Undistributed Expend. - Attend. & Social Work	<u>176,295.00</u>	<u>(5,279.54)</u>	<u>171,015.46</u>	<u>144,290.79</u>	<u>26,724.67</u>
Undistributed Expenditures - Health Services					
Salaries	184,442.00	3,632.25	188,074.25	187,672.92	401.33
Other Purchased Services (400-500 series)		854.00	854.00	854.00	
Supplies and Materials	250.00	3,311.50	3,561.50	3,506.21	55.29
Total Undistributed Expenditures - Health Services	<u>184,692.00</u>	<u>7,797.75</u>	<u>192,489.75</u>	<u>192,033.13</u>	<u>456.62</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	313,217.00	(44,464.84)	268,752.16	268,597.16	155.00
Salaries of Secretarial and Clerical Assistants	35,746.00	1,910.80	37,656.80	37,656.80	
Other Salaries	24,390.00	(2,705.48)	21,684.52	1,971.32	19,713.20
Other Purchased Prof. and Tech. Services	16,194.00	4,923.00	21,117.00	11,259.00	9,858.00
Other Purchased Services (400-500 series)	1,198.50	1,361.00	2,559.50	772.50	1,787.00
Supplies and Materials	10,000.00	(1,678.66)	8,321.34	7,728.36	592.98
Other Objects	899.00	(500.00)	399.00	399.00	
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>401,644.50</u>	<u>(41,154.18)</u>	<u>360,490.32</u>	<u>328,384.14</u>	<u>32,106.18</u>
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries		10,325.00	10,325.00	10,325.00	
Purchased Prof- Educational Services	15,000.00	14,650.00	29,650.00	29,650.00	
Total Undist. Expend. - Improvement of Inst. Serv.	<u>15,000.00</u>	<u>24,975.00</u>	<u>39,975.00</u>	<u>39,975.00</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	148,245.00	4,552.50	152,797.50	151,674.50	1,123.00
Salaries of Technology Coordinators	154,665.00	(695.00)	153,970.00	149,627.64	4,342.36
Purchased Professional and Technical Services	1,500.00	2,103.68	3,603.68	3,603.68	
Supplies and Materials	3,750.00	15.80	3,765.80	279.00	3,486.80
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>308,160.00</u>	<u>5,976.98</u>	<u>314,136.98</u>	<u>305,184.82</u>	<u>8,952.16</u>

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Combined Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service		\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	
Other Purchased Services (400-500 series)	\$ 500.00	(500.00)			
Supplies and Materials	500.00	(500.00)			
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>1,000.00</b>	<b>1,400.00</b>	<b>2,400.00</b>	<b>2,400.00</b>	<b>-</b>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	722,069.00	1,716.92	723,785.92	700,807.92	\$ 22,978.00
Salaries of Secretarial and Clerical Assistants	94,370.00	21,206.05	115,576.05	115,576.05	
Purchased Professional and Technical Services	2,000.00	776.00	2,776.00	2,646.00	130.00
Other Purchased Services (400-500 series)	13,000.00	3,002.31	16,002.31	15,018.59	983.72
Supplies and Materials	9,192.15	8,538.45	17,730.60	10,050.61	7,679.99
Other Objects	89,658.54	38,036.73	127,695.27	125,653.08	2,042.19
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>930,289.69</b>	<b>73,276.46</b>	<b>1,003,566.15</b>	<b>969,752.25</b>	<b>33,813.90</b>
Undist. Expend. - Security					
Salaries	106,815.00	3,253.73	110,068.73	109,828.73	240.00
Purchased Professional and Technical Services	7,000.00	4,060.00	11,060.00	11,040.00	20.00
<b>Total Undist. Expend. - Security</b>	<b>113,815.00</b>	<b>7,313.73</b>	<b>121,128.73</b>	<b>120,868.73</b>	<b>260.00</b>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	5,000.00	179,557.93	184,557.93	70,883.91	113,674.02
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>5,000.00</b>	<b>179,557.93</b>	<b>184,557.93</b>	<b>70,883.91</b>	<b>113,674.02</b>
UNALLOCATED BENEFITS					
Health Benefits	3,313,634.59	(1,243,279.36)	2,070,355.23	1,831,794.74	238,560.49
Other Employee Benefits	138,152.00	158,958.98	297,110.98	296,794.45	316.53
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>3,451,786.59</b>	<b>(1,084,320.38)</b>	<b>2,367,466.21</b>	<b>2,128,589.19</b>	<b>238,877.02</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Combined Schedule of Blended Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,451,786.59	\$ (1,084,320.38)	\$ 2,367,466.21	\$ 2,128,589.19	\$ 238,877.02
TOTAL UNDISTRIBUTED EXPENDITURES	5,587,682.78	(830,456.25)	4,757,226.53	4,302,361.96	454,864.57
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,228,326.95	-	13,228,326.95	12,120,153.51	1,108,173.44
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	89,029.11		89,029.11		89,029.11
TOTAL SCHOOL BASED EXPENDITURES	13,317,356.06	-	13,317,356.06	12,120,153.51	1,197,202.55
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	12,913,783.00		12,913,783.00	11,818,667.67	1,095,115.33
Total Other Financing Sources	12,913,783.00	-	12,913,783.00	11,818,667.67	1,095,115.33
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(403,573.06)	-	(403,573.06)	(301,485.84)	102,087.22
Fund Balance, July 1	403,573.06		403,573.06	403,573.06	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 102,087.22	\$ 102,087.22

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: John Fenwick School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 372,107.00	\$ 3,021.49	\$ 375,128.49	\$ 369,729.27	\$ 5,399.22
Grades 1-5 - Salaries of Teachers	722,520.00	8,723.57	731,243.57	641,357.46	89,886.11
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	127,436.00		127,436.00	108,709.26	18,726.74
Purchased Prof- Educational Services	6,501.00	9,394.00	15,895.00	15,895.00	
Purchased Technical Services	20,000.00	27,659.98	47,659.98	46,661.37	998.61
Other Purchased Services (400-500 series)	7,500.00	(1,050.44)	6,449.56	3,854.85	2,594.71
General Supplies	22,402.30	38,136.20	60,538.50	43,946.32	16,592.18
Textbooks	500.00	(500.00)			
Other Objects	500.00	750.00	1,250.00	191.55	1,058.45
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>1,279,466.30</u>	<u>86,134.80</u>	<u>1,365,601.10</u>	<u>1,230,345.08</u>	<u>135,256.02</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities:					
Salaries of Teachers	191,883.00	3,475.00	195,358.00	99,783.10	95,574.90
Other Salaries for Instruction		400.00	400.00		400.00
<b>Total Multiple Disabilities</b>	<u>191,883.00</u>	<u>3,875.00</u>	<u>195,758.00</u>	<u>99,783.10</u>	<u>95,974.90</u>
Resource Room/Resource Center:					
Salaries of Teachers		250.00	250.00		250.00
<b>Total Resource Room/Resource Center</b>	<u>-</u>	<u>250.00</u>	<u>250.00</u>	<u>-</u>	<u>250.00</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 79,631.00	\$ 9,857.00	\$ 89,488.00	\$ 86,709.24	\$ 2,778.76
Other Salaries for Instruction		16,447.01	16,447.01	15,447.01	1,000.00
Total Preschool Disabilities - Full-Time	<u>79,631.00</u>	<u>26,304.01</u>	<u>105,935.01</u>	<u>102,156.25</u>	<u>3,778.76</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>271,514.00</u>	<u>30,429.01</u>	<u>301,943.01</u>	<u>201,939.35</u>	<u>100,003.66</u>
Total Instruction	<u>1,550,980.30</u>	<u>116,563.81</u>	<u>1,667,544.11</u>	<u>1,432,284.43</u>	<u>235,259.68</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	<u>55,214.00</u>	<u>(19,575.79)</u>	<u>35,638.21</u>	<u>33,043.51</u>	<u>2,594.70</u>
Total Undistributed Expend. - Attend. & Social Work	<u>55,214.00</u>	<u>(19,575.79)</u>	<u>35,638.21</u>	<u>33,043.51</u>	<u>2,594.70</u>
Undistributed Expenditures - Health Services					
Salaries	<u>39,300.00</u>	<u>1,105.25</u>	<u>40,405.25</u>	<u>40,003.92</u>	<u>401.33</u>
Supplies and Materials		<u>2,153.67</u>	<u>2,153.67</u>	<u>2,098.38</u>	<u>55.29</u>
Total Undistributed Expenditures - Health Services	<u>39,300.00</u>	<u>3,258.92</u>	<u>42,558.92</u>	<u>42,102.30</u>	<u>456.62</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: John Fenwick School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 54,289.00	\$ (54,289.00)			
Other Salaries	7,891.00	(875.42)	\$ 7,015.58	\$ 637.78	\$ 6,377.80
	<u>62,180.00</u>	<u>(55,164.42)</u>	<u>7,015.58</u>	<u>637.78</u>	<u>6,377.80</u>
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	56,351.00	1,085.00	57,436.00	56,313.00	1,123.00
Salaries of Technology Coordinators	34,796.00		34,796.00	33,750.00	1,046.00
Purchased Professional and Technical Services		1,042.50	1,042.50	1,042.50	
Supplies and Materials	1,250.00	(953.33)	296.67		296.67
	<u>92,397.00</u>	<u>1,174.17</u>	<u>93,571.17</u>	<u>91,105.50</u>	<u>2,465.67</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 83,357.00	\$ 931.48	\$ 84,288.48	\$ 80,850.48	\$ 3,438.00
Salaries of Secretarial and Clerical Assistants		20,700.02	20,700.02	20,700.02	
Other Purchased Services (400-500 series)	3,000.00	(1,000.00)	2,000.00	1,016.28	983.72
Supplies and Materials	1,000.00	710.18	1,710.18		1,710.18
Other Objects	1,597.14	402.36	1,999.50	1,802.50	197.00
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>88,954.14</b>	<b>21,744.04</b>	<b>110,698.18</b>	<b>104,369.28</b>	<b>6,328.90</b>
Undist. Expend. - Security					
Salaries	25,635.00	602.47	26,237.47	26,237.47	
Purchased Professional and Technical Services	3,500.00		3,500.00	3,480.00	20.00
<b>Total Undist. Expend. - Security</b>	<b>29,135.00</b>	<b>602.47</b>	<b>29,737.47</b>	<b>29,717.47</b>	<b>20.00</b>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	5,000.00	37,457.78	42,457.78	12,457.78	30,000.00
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>5,000.00</b>	<b>37,457.78</b>	<b>42,457.78</b>	<b>12,457.78</b>	<b>30,000.00</b>
UNALLOCATED BENEFITS					
Health Benefits	596,196.00	(218,410.61)	377,785.39	262,297.70	115,487.69
Other Employee Benefits	2,240.00	112,349.63	114,589.63	114,273.10	316.53
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>598,436.00</b>	<b>(106,060.98)</b>	<b>492,375.02</b>	<b>376,570.80</b>	<b>115,804.22</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>598,436.00</b>	<b>(106,060.98)</b>	<b>492,375.02</b>	<b>376,570.80</b>	<b>115,804.22</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>970,616.14</b>	<b>(116,563.81)</b>	<b>854,052.33</b>	<b>690,004.42</b>	<b>164,047.91</b>
<b>TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE</b>	<b>2,521,596.44</b>	<b>-</b>	<b>2,521,596.44</b>	<b>2,122,288.85</b>	<b>399,307.59</b>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	11,936.50		11,936.50		11,936.50
<b>TOTAL SCHOOL BASED EXPENDITURES</b>	<b>2,533,532.94</b>	<b>-</b>	<b>2,533,532.94</b>	<b>2,122,288.85</b>	<b>411,244.09</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Blended Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	\$ 2,520,097.00		\$ 2,520,097.00	\$ 2,112,541.19	\$ 407,555.81
Total Other Financing Sources	2,520,097.00	-	2,520,097.00	2,112,541.19	407,555.81
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(13,435.94)	-	(13,435.94)	(9,747.66)	3,688.28
Fund Balance, July 1	13,435.94	-	13,435.94	13,435.94	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 3,688.28	\$ 3,688.28

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 962,644.00	\$ 65,058.86	\$ 1,027,702.86	\$ 884,684.76	\$ 143,018.10
Grades 6-8 - Salaries of Teachers	1,099,221.00	7,510.00	1,106,731.00	998,862.65	107,868.35
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	38,562.00	413.00	38,975.00	38,975.00	
Purchased Technical Services	3,431.00	44,470.28	47,901.28	47,841.43	59.85
Other Purchased Services (400-500 series)		22,200.00	22,200.00	17,716.08	4,483.92
General Supplies	2,100.00	88,716.81	90,816.81	32,502.03	58,314.78
Textbooks		26,845.78	26,845.78		26,845.78
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,105,958.00</b>	<b>255,214.73</b>	<b>2,361,172.73</b>	<b>2,020,581.95</b>	<b>340,590.78</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities:					
Salaries of Teachers	377,334.00	(1,008.00)	376,326.00	373,168.50	3,157.50
Other Salaries for Instruction	9,149.00	12,842.00	21,991.00	450.00	21,541.00
<b>Total Multiple Disabilities</b>	<b>386,483.00</b>	<b>11,834.00</b>	<b>398,317.00</b>	<b>373,618.50</b>	<b>24,698.50</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Blended Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center: Salaries of Teachers	\$ 198,440.00	\$ 1,320.00	\$ 199,760.00	\$ 193,680.79	\$ 6,079.21
Total Resource Room/Resource Center	198,440.00	1,320.00	199,760.00	193,680.79	6,079.21
Preschool Disabilities - Full-Time: Salaries of Teacher		1,600.00	1,600.00		1,600.00
Total Preschool Disabilities - Full-Time	-	1,600.00	1,600.00	-	1,600.00
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>584,923.00</b>	<b>14,754.00</b>	<b>599,677.00</b>	<b>567,299.29</b>	<b>32,377.71</b>
School-Spon. Cocurricular Actvts. - Inst. Salaries		2,032.00	2,032.00	2,032.00	
Other Objects		435.12	435.12	435.12	
Total School-Spon. Cocurricular Actvts. - Inst.	-	2,467.12	2,467.12	2,467.12	-

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expend. - Attend. & Social Work Salaries	\$ 77,887.00	\$ 20,782.36	\$ 98,669.36	\$ 74,851.62	\$ 23,817.74
Total Undistributed Expend. - Attend. & Social Work	<u>77,887.00</u>	<u>20,782.36</u>	<u>98,669.36</u>	<u>74,851.62</u>	<u>23,817.74</u>
Undistributed Expenditures - Health Services Salaries	56,248.00	1,942.50	58,190.50	58,190.50	
Supplies and Materials		879.19	879.19	879.19	
Total Undistributed Expenditures - Health Services	<u>56,248.00</u>	<u>2,821.69</u>	<u>59,069.69</u>	<u>59,069.69</u>	-
Undist. Expend. - Guidance Salaries of Other Professional Staff	119,868.00	505.50	120,373.50	120,373.50	
Other Salaries	7,891.00	(875.42)	7,015.58	637.78	6,377.80
Other Purchased Services		124.00	124.00	124.00	
Supplies and Materials		2,463.47	2,463.47	1,870.49	592.98
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>127,759.00</u>	<u>2,217.55</u>	<u>129,976.55</u>	<u>123,005.77</u>	<u>6,970.78</u>
Undist. Expend. - Edu. Media Serv./Sch. Library Salaries of Technology Coordinators	58,009.00	(695.00)	57,314.00	55,877.64	1,436.36
Purchased Professional and Technical Services		1,042.50	1,042.50	1,042.50	
Supplies and Materials		2,936.00	2,936.00		2,936.00
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>58,009.00</u>	<u>3,283.50</u>	<u>61,292.50</u>	<u>56,920.14</u>	<u>4,372.36</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 295,602.00	\$ 1,063.84	\$ 296,665.84	\$ 286,713.84	\$ 9,952.00
Salaries of Secretarial and Clerical Assistants	46,553.00	346.90	46,899.90	46,899.90	
Other Purchased Services (400-500 series)		4,483.80	4,483.80	4,483.80	
Supplies and Materials	487.40	6,712.29	7,199.69	3,162.63	4,037.06
Other Objects	19,030.70	8,795.50	27,826.20	27,416.01	410.19
	<u>361,673.10</u>	<u>21,402.33</u>	<u>383,075.43</u>	<u>368,676.18</u>	<u>14,399.25</u>
Total Undist. Expend. - Support Serv. - School Admin.					
Undist. Expend. - Security					
Salaries	30,499.00	1,889.00	32,388.00	32,148.00	240.00
Purchased Professional and Technical Services		3,480.00	3,480.00	3,480.00	
	<u>30,499.00</u>	<u>5,369.00</u>	<u>35,868.00</u>	<u>35,628.00</u>	<u>240.00</u>
Total Undist. Expend. - Security					
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors		75,609.90	75,609.90		75,609.90
	<u>-</u>	<u>75,609.90</u>	<u>75,609.90</u>	<u>-</u>	<u>75,609.90</u>
Total Undist. Expend. - Student Transportation Serv.					
UNALLOCATED BENEFITS					
Health Benefits	1,262,370.97	(419,572.83)	842,798.14	758,067.01	84,731.13
Other Employee Benefits	35,901.00	15,650.65	51,551.65	51,551.65	
	<u>1,298,271.97</u>	<u>(403,922.18)</u>	<u>894,349.79</u>	<u>809,618.66</u>	<u>84,731.13</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNDISTRIBUTED EXPENDITURES	<u>2,010,347.07</u>	<u>(272,435.85)</u>	<u>1,737,911.22</u>	<u>1,527,770.06</u>	<u>210,141.16</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	\$ 4,701,228.07	\$ -	\$ 4,701,228.07	\$ 4,118,118.42	\$ 583,109.65
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	12,897.50		12,897.50		12,897.50
TOTAL SCHOOL BASED EXPENDITURES	4,714,125.57	-	4,714,125.57	4,118,118.42	596,007.15
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,574,773.00		4,574,773.00	4,027,633.91	547,139.09
Total Other Financing Sources	4,574,773.00	-	4,574,773.00	4,027,633.91	547,139.09
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(139,352.57)	-	(139,352.57)	(90,484.51)	48,868.06
Fund Balance, July 1	139,352.57	-	139,352.57	139,352.57	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 48,868.06	\$ 48,868.06

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,240,658.00	\$ 48,981.01	\$ 2,289,639.01	\$ 2,289,639.01	
Purchased Prof- Educational Services	1,000.00	(1,000.00)			
Purchased Technical Services	5,000.00	22,966.76	27,966.76	27,048.55	\$ 918.21
Other Purchased Services (400-500 series)	10,000.00	9,284.49	19,284.49	19,284.49	
General Supplies	500.00	59,018.75	59,518.75	54,091.78	5,426.97
Textbooks	500.00	14,312.29	14,812.29	14,515.29	297.00
Other Objects	500.00	84,849.00	85,349.00	85,207.78	141.22
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,258,158.00</u>	<u>238,412.30</u>	<u>2,496,570.30</u>	<u>2,489,786.90</u>	<u>6,783.40</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Multiple Disabilities:					
Salaries of Teachers	169,041.00	2,941.00	171,982.00	171,982.00	
Other Purchased Services (400-500 series)	1,000.00	500.00	1,500.00	1,500.00	
General Supplies		102.83	102.83	102.83	
<b>Total Multiple Disabilities</b>	<u>170,041.00</u>	<u>3,543.83</u>	<u>173,584.83</u>	<u>173,584.83</u>	<u>-</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Blended Resource Fund 15  
 Schedule of Blended Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 278,667.00	\$ (7,549.00)	\$ 271,118.00	\$ 270,978.00	\$ 140.00
General Supplies	300.00	(244.07)	55.93	55.93	
	<u>278,967.00</u>	<u>(7,793.07)</u>	<u>271,173.93</u>	<u>271,033.93</u>	<u>140.00</u>
Total Resource Room/Resource Center					
	<u>278,967.00</u>	<u>(7,793.07)</u>	<u>271,173.93</u>	<u>271,033.93</u>	<u>140.00</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>449,008.00</u>	<u>(4,249.24)</u>	<u>444,758.76</u>	<u>444,618.76</u>	<u>140.00</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	466,114.00	(77,456.85)	388,657.15	388,657.15	
General Supplies	5,062.81	(5,000.00)	62.81	62.81	
	<u>471,176.81</u>	<u>(82,456.85)</u>	<u>388,719.96</u>	<u>388,719.96</u>	<u>-</u>
Total Vocational Programs - Local - Instruction					
	<u>471,176.81</u>	<u>(82,456.85)</u>	<u>388,719.96</u>	<u>388,719.96</u>	<u>-</u>
School-Spon. Cocurricular Activities - Inst.					
Salaries		9,961.52	9,961.52	9,079.50	882.02
Purchased Services (300-500 series)	6,926.00	(1,429.00)	5,497.00	5,497.00	
Supplies and Materials	1,000.00	(1,000.00)			
Other Objects	3,400.00	(3,400.00)			
	<u>11,326.00</u>	<u>4,132.52</u>	<u>15,458.52</u>	<u>14,576.50</u>	<u>882.02</u>
Total School-Spon. Cocurricular Activities. - Inst.					
	<u>11,326.00</u>	<u>4,132.52</u>	<u>15,458.52</u>	<u>14,576.50</u>	<u>882.02</u>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 84,271.00	\$ 168,979.00	\$ 253,250.00	\$ 253,250.00	
Purchased Services (300-500 series)	54,713.58	21,639.24	76,352.82	75,502.82	\$ 850.00
Supplies and Materials	39,129.48	72,582.16	111,711.64	76,615.36	35,096.28
Other Objects	6,000.00	15,852.91	21,852.91	21,809.91	43.00
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<b>184,114.06</b>	<b>279,053.31</b>	<b>463,167.37</b>	<b>427,178.09</b>	<b>35,989.28</b>
Alternative Education Program - Inst.					
Purchased Prof-Technical Services	25,000.00	6,564.55	31,564.55	30,278.55	1,286.00
<b>Total Alternative Education Program - Inst.</b>	<b>25,000.00</b>	<b>6,564.55</b>	<b>31,564.55</b>	<b>30,278.55</b>	<b>1,286.00</b>
<b>Total Instruction</b>	<b>3,398,782.87</b>	<b>441,456.59</b>	<b>3,840,239.46</b>	<b>3,795,158.76</b>	<b>45,080.70</b>
Undistributed Expend. - Attend. & Social Work					
Salaries	43,194.00	(6,486.11)	36,707.89	36,395.66	312.23
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>43,194.00</b>	<b>(6,486.11)</b>	<b>36,707.89</b>	<b>36,395.66</b>	<b>312.23</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expenditures - Health Services					
Salaries	\$ 88,894.00	\$ 584.50	\$ 89,478.50	\$ 89,478.50	
Other Purchased Services (400-500 series)		854.00	854.00	854.00	
Supplies and Materials	250.00	278.64	528.64	528.64	
	<u>89,144.00</u>	<u>1,717.14</u>	<u>90,861.14</u>	<u>90,861.14</u>	<u>-</u>
Total Undistributed Expenditures - Health Services					
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	139,060.00	9,318.66	148,378.66	148,223.66	\$ 155.00
Salaries of Secretarial and Clerical Assistants	35,746.00	1,910.80	37,656.80	37,656.80	
Other Salaries	8,608.00	(954.64)	7,653.36	695.76	6,957.60
Other Purchased Prof. and Tech. Services	16,194.00	4,923.00	21,117.00	11,259.00	9,858.00
Other Purchased Services (400-500 series)	1,198.50	1,237.00	2,435.50	648.50	1,787.00
Supplies and Materials	10,000.00	(4,142.13)	5,857.87	5,857.87	
Other Objects	899.00	(500.00)	399.00	399.00	
	<u>211,705.50</u>	<u>11,792.69</u>	<u>223,498.19</u>	<u>204,740.59</u>	<u>18,757.60</u>
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries		10,325.00	10,325.00	10,325.00	
Purchased Prof- Educational Services	15,000.00	14,650.00	29,650.00	29,650.00	
	<u>15,000.00</u>	<u>24,975.00</u>	<u>39,975.00</u>	<u>39,975.00</u>	<u>-</u>
Total Undist. Expend. - Improvement of Inst. Serv.					

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 91,894.00	\$ 3,467.50	\$ 95,361.50	\$ 95,361.50	
Salaries of Technology Coordinators	61,860.00		61,860.00	60,000.00	\$ 1,860.00
Purchased Professional and Technical Services	1,500.00	18.68	1,518.68	1,518.68	
Supplies and Materials	2,500.00	(1,966.87)	533.13	279.00	254.13
	<u>157,754.00</u>	<u>1,519.31</u>	<u>159,273.31</u>	<u>157,159.18</u>	<u>2,114.13</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services		2,400.00	2,400.00	2,400.00	
Other Purchased Services (400-500 series)	500.00	(500.00)			
Supplies and Materials	500.00	(500.00)			
	<u>1,000.00</u>	<u>1,400.00</u>	<u>2,400.00</u>	<u>2,400.00</u>	<u>-</u>
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	343,110.00	(278.40)	342,831.60	333,243.60	9,588.00
Salaries of Secretarial and Clerical Assistants	47,817.00	159.13	47,976.13	47,976.13	
Purchased Professional and Technical Services	2,000.00	776.00	2,776.00	2,646.00	130.00
Other Purchased Services (400-500 series)	10,000.00	(481.49)	9,518.51	9,518.51	
Supplies and Materials	7,704.75	1,115.98	8,820.73	6,887.98	1,932.75
Other Objects	69,030.70	28,838.87	97,869.57	96,434.57	1,435.00
	<u>479,662.45</u>	<u>30,130.09</u>	<u>509,792.54</u>	<u>496,706.79</u>	<u>13,085.75</u>
Total Undist. Expend. - Support Serv. - School Admin.					

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 50,681.00	\$ 762.26	\$ 51,443.26	\$ 51,443.26	
Purchased Professional and Technical Services	3,500.00	580.00	4,080.00	4,080.00	
<b>Total Undist. Expend. - Security</b>	<b>54,181.00</b>	<b>1,342.26</b>	<b>55,523.26</b>	<b>55,523.26</b>	<b>-</b>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors		66,490.25	66,490.25	58,426.13	\$ 8,064.12
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>-</b>	<b>66,490.25</b>	<b>66,490.25</b>	<b>58,426.13</b>	<b>8,064.12</b>
<b>UNALLOCATED BENEFITS</b>					
Health Benefits	1,455,067.62	(605,295.92)	849,771.70	811,430.03	38,341.67
Other Employee Benefits	100,011.00	30,958.70	130,969.70	130,969.70	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,555,078.62</b>	<b>(574,337.22)</b>	<b>980,741.40</b>	<b>942,399.73</b>	<b>38,341.67</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>1,555,078.62</b>	<b>(574,337.22)</b>	<b>980,741.40</b>	<b>942,399.73</b>	<b>38,341.67</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>2,606,719.57</b>	<b>(441,456.59)</b>	<b>2,165,262.98</b>	<b>2,084,587.48</b>	<b>80,675.50</b>
<b>TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE</b>	<b>6,005,502.44</b>	<b>-</b>	<b>6,005,502.44</b>	<b>5,879,746.24</b>	<b>125,756.20</b>
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Construction Services	64,195.11		64,195.11		64,195.11
<b>TOTAL SCHOOL BASED EXPENDITURES</b>	<b>6,069,697.55</b>	<b>-</b>	<b>6,069,697.55</b>	<b>5,879,746.24</b>	<b>189,951.31</b>

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
Blended Resource Fund 15  
Schedule of Blended Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2021

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	\$ 5,818,913.00		\$ 5,818,913.00	\$ 5,678,492.57	\$ 140,420.43
Total Other Financing Sources	5,818,913.00	-	5,818,913.00	5,678,492.57	140,420.43
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(250,784.55)	-	(250,784.55)	(201,253.67)	49,530.88
Fund Balance, July 1	250,784.55	-	250,784.55	250,784.55	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 49,530.88	\$ 49,530.88

**SPECIAL REVENUE FUND**

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

	E.S.S.A.			I.D.E.A. Part B		Coronavirus Relief Fund	Total Carried Forward	
	Title I Part A	Title I SIA	Title II Part A - Training	Title IV Part A	Basic			Preschool
<b>REVENUES:</b>								
Federal Sources	\$ 835,045.51	\$ 47,937.98	\$ 94,247.00	\$ 62,880.00	\$ 360,644.00	\$ 8,472.00	\$ 126,390.12	\$ 1,535,616.61
<b>Total Revenues</b>	<b>835,045.51</b>	<b>47,937.98</b>	<b>94,247.00</b>	<b>62,880.00</b>	<b>360,644.00</b>	<b>8,472.00</b>	<b>126,390.12</b>	<b>1,535,616.61</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries	269,031.86	18,080.00						287,111.86
Other Salaries for Instruction						7,553.47		7,553.47
Purchased Services Professional/Educational Services	62,850.00							62,850.00
Other Purchased Services (400-500 series)					55,367.00			55,367.00
Tuition					305,277.00			305,277.00
Supplies and Material	62,224.03			12,670.00				74,894.03
Other Objects							100,610.35	100,610.35
<b>Total Instruction</b>	<b>394,105.89</b>	<b>18,080.00</b>	<b>-</b>	<b>12,670.00</b>	<b>360,644.00</b>	<b>7,553.47</b>	<b>100,610.35</b>	<b>893,663.71</b>
Support Services:								
Salaries	127,208.71	26,174.16		497.00				153,879.87
Personal Services - Employee Benefits	188,218.13	3,683.82		38.00		918.53		192,858.48
Other Purchased Professional and Educational Services	20,275.87		94,247.00	49,675.00				164,197.87
Other Purchased Services (400-500 series)	105,236.91							105,236.91
General Supplies							25,779.77	25,779.77
<b>Total Support Services</b>	<b>440,939.62</b>	<b>29,857.98</b>	<b>94,247.00</b>	<b>50,210.00</b>	<b>-</b>	<b>918.53</b>	<b>25,779.77</b>	<b>641,952.90</b>
<b>Total Expenditures</b>	<b>835,045.51</b>	<b>47,937.98</b>	<b>94,247.00</b>	<b>62,880.00</b>	<b>360,644.00</b>	<b>8,472.00</b>	<b>126,390.12</b>	<b>1,535,616.61</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, July 1								
Prior Period Adjustment								
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Total Brought Forward	CARES Act	Perkins Vocational	CRRSA ESSER II	Learning Acceleration	Digital Divide	Family Friendly Centers	Total Carried Forward
<b>REVENUES:</b>								
Federal Sources	\$ 1,535,616.61	\$ 575,577.39	\$ 15,050.00	\$ 119,787.70	\$ 52,098.00	\$ 276,349.00		\$ 2,574,478.70
State Sources							\$ 31,500.50	31,500.50
<b>Total Revenues</b>	<b>1,535,616.61</b>	<b>575,577.39</b>	<b>15,050.00</b>	<b>119,787.70</b>	<b>52,098.00</b>	<b>276,349.00</b>	<b>31,500.50</b>	<b>2,605,979.20</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries	287,111.86							287,111.86
Salaries of Teachers							15,058.75	15,058.75
Other Salaries for Instruction	7,553.47							7,553.47
Purchased Services Professional/Educational Services	62,850.00		2,000.00		7,210.00			72,060.00
Tuition	305,277.00							305,277.00
Supplies and Material	74,894.03	230,731.56	12,469.00					318,094.59
Other Objects	100,610.35					276,349.00		376,959.35
<b>Total Instruction</b>	<b>893,663.71</b>	<b>230,731.56</b>	<b>14,469.00</b>	<b>-</b>	<b>7,210.00</b>	<b>276,349.00</b>	<b>15,058.75</b>	<b>1,437,482.02</b>
<b>Support Services:</b>								
Salaries	153,879.87		540.00					154,419.87
Salaries of Principals/Asst. Principals/Program Directors							4,800.00	4,800.00
Salaries of Other Professional Staff							2,590.00	2,590.00
Salaries of Secretarial and Clerical Assistants							3,520.00	3,520.00
Personal Services - Employee Benefits	192,858.48		41.00					192,899.48
Other Purchased Professional and Educational Services	164,197.87				44,888.00			209,085.87
Other Purchased Services (400-500 series)	105,236.91	267,904.00					4,363.75	377,504.66
Supplies and Material		76,941.83					1,168.00	78,109.83
General Supplies	25,779.77							25,779.77
Other Objects				119,787.70				119,787.70
<b>Total Support Services</b>	<b>641,952.90</b>	<b>344,845.83</b>	<b>581.00</b>	<b>119,787.70</b>	<b>44,888.00</b>	<b>-</b>	<b>16,441.75</b>	<b>1,168,497.18</b>
<b>Total Expenditures</b>	<b>1,535,616.61</b>	<b>575,577.39</b>	<b>15,050.00</b>	<b>119,787.70</b>	<b>52,098.00</b>	<b>276,349.00</b>	<b>31,500.50</b>	<b>2,605,979.20</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, July 1								
Prior Period Adjustment								
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Total Brought Forward	Preschool Education Aid	School Based Youth Services	Wrap Around Services Pre-K	Teen PEP	Gateway Head Start	Scholarship Fund	Uniform Trust	Student Activity / Athletics Fund	Total
<b>REVENUES:</b>										
Federal Sources	\$ 2,574,478.70									\$ 2,574,478.70
State Sources	31,500.50	\$ 2,240,738.93	\$ 248,305.56	\$ 16,143.95						2,536,688.94
Local Sources					\$ 500.00	\$ 32,088.00	\$ 3,619.45		\$ 101,804.69	138,012.14
<b>Total Revenues</b>	<b>2,605,979.20</b>	<b>2,240,738.93</b>	<b>248,305.56</b>	<b>16,143.95</b>	<b>500.00</b>	<b>32,088.00</b>	<b>3,619.45</b>	<b>-</b>	<b>101,804.69</b>	<b>5,249,179.78</b>
<b>EXPENDITURES:</b>										
<b>Instruction:</b>										
Salaries	287,111.86									287,111.86
Salaries of Teachers	15,058.75	737,119.33								752,178.08
Other Salaries for Instruction	7,553.47	244,943.87								252,497.34
Purchased Services Professional/Educational Services	72,060.00									72,060.00
Other Purchased Services (400-500 series)	55,367.00									55,367.00
Tuition	305,277.00									305,277.00
Supplies and Material	318,094.59									318,094.59
Other Objects	376,959.35									376,959.35
<b>Total Instruction</b>	<b>1,437,482.02</b>	<b>982,063.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,419,545.22</b>
<b>Support Services:</b>										
Salaries	154,419.87			4,995.06						159,414.93
Salaries of Principals/Asst. Principals/Program Directors	4,800.00	90,264.80		5,780.00						100,844.80
Salaries of Other Professional Staff	2,590.00	105,329.00	165,759.88							273,678.88
Salaries of Secretarial and Clerical Assistants	3,520.00	27,397.65	7,055.66	1,265.00						39,238.31
Salaries - Other Salaries for Instruction				1,903.00						1,903.00
Salaries - Other		68,469.77								68,469.77
Salaries of Master Teachers		69,280.81								69,280.81
Personal Services - Employee Benefits	192,899.48	704,913.86	64,417.93							962,231.27
Other Purchased Professional and Educational Services	209,085.87					32,088.00				241,173.87
Cleaning, Repair & Maintenance Services		2,500.00								2,500.00
Rentals		3,069.50								3,069.50
Other Purchased Services (400-500 series)	377,504.66									377,504.66
Miscellaneous Purchased Services		96,989.36								96,989.36
Supplies and Material	78,109.83	86,396.98	11,072.09							175,578.90
General Supplies	25,779.77									25,779.77
Other Objects	119,787.70	4,064.00		2,200.89	500.00					126,552.59
Scholarships Awarded							11,200.00			11,200.00
Students Activities									109,516.64	109,516.64
<b>Total Support Services</b>	<b>1,168,497.18</b>	<b>1,258,675.73</b>	<b>248,305.56</b>	<b>16,143.95</b>	<b>500.00</b>	<b>32,088.00</b>	<b>11,200.00</b>	<b>-</b>	<b>109,516.64</b>	<b>2,844,927.06</b>
<b>Total Expenditures</b>	<b>2,605,979.20</b>	<b>2,240,738.93</b>	<b>248,305.56</b>	<b>16,143.95</b>	<b>500.00</b>	<b>32,088.00</b>	<b>11,200.00</b>	<b>-</b>	<b>109,516.64</b>	<b>5,264,472.28</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	(7,580.55)	-	(7,711.95)	94,224.14
Fund Balance, July 1							85,114.77	\$ 267.83	55,258.32	140,640.92
Prior Period Adjustment										
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	85,114.77	267.83	55,258.32	140,640.92
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,534.22	\$ 267.83	\$ 47,546.37	\$ 234,865.06

**CITY OF SALEM SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Preschool - All Programs  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 915,131.00	\$(149,961.44)	\$ 765,169.56	\$ 737,119.33	\$ 28,050.23
Other Salaries for Instruction	288,911.00	(1,816.50)	287,094.50	244,943.87	42,150.63
<b>Total Instruction</b>	<b>1,204,042.00</b>	<b>(151,777.94)</b>	<b>1,052,264.06</b>	<b>982,063.20</b>	<b>70,200.86</b>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction	27,786.00	(27,366.52)	419.48		419.48
Salaries of Principals/Asst. Principals/Program Directors	90,352.00	116.00	90,468.00	90,264.80	203.20
Salaries of Other Professional Staff	112,004.00	30,866.53	142,870.53	105,329.00	37,541.53
Salaries of Secretarial and Clerical Assistants	29,793.00	(2,395.35)	27,397.65	27,397.65	
Salaries - Other	69,693.00	(1,223.23)	68,469.77	68,469.77	
Sal. of Facilitators, Math, Literacy, and Master Teacher	86,832.00	(17,551.19)	69,280.81	69,280.81	
Personal Services - Employee Benefits	690,714.00	22,336.00	713,050.00	704,913.86	8,136.14
Cleaning, Repair & Maintenance Services	-	2,500.00	2,500.00	2,500.00	
Rentals	-	3,069.50	3,069.50	3,069.50	
Travel	844.00	(407.00)	437.00		437.00
Miscellaneous Purchased Services	25,000.00	72,751.20	97,751.20	96,989.36	761.84
Supplies and Material	25,000.00	63,203.00	88,203.00	86,396.98	1,806.02
Other Objects	-	5,879.00	5,879.00	4,064.00	1,815.00
<b>Total Support Services</b>	<b>1,158,018.00</b>	<b>151,777.94</b>	<b>1,309,795.94</b>	<b>1,258,675.73</b>	<b>51,120.21</b>
<b>Total Expenditures</b>	<b>\$ 2,362,060.00</b>	<b>\$ -</b>	<b>\$ 2,362,060.00</b>	<b>\$ 2,240,738.93</b>	<b>\$ 121,321.07</b>
<u>Calculation of Budget and Carryover</u>					
Total 2020-2021 Preschool Education Aid Allocation					\$ 2,346,300.00
Add: Actual Preschool Education Aid Carryover June 30, 2020					51,788.67
Add: Difference in Liquidation of Prior Year Encumbrances					83,630.52
<b>Total Preschool Education Aid Funds Available for 2020-21 Budget</b>					<b>2,481,719.19</b>
Less: 2020-21 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)					2,362,060.00
<b>Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2021</b>					<b>119,659.19</b>
Add: June 30, 2021 Unexpended Preschool Education Aid					121,321.07
<b>2020-21 Carryover - Preschool Education Aid/Preschool</b>					<b>\$ 240,980.26</b>
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22					\$ -

**CITY OF SALEM SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Preschool - Full Day 3yr and 4 yr - Regular  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 915,131.00	\$ (149,961.44)	\$ 765,169.56	\$ 737,119.33	\$ 28,050.23
Other Salaries for Instruction	288,911.00	(1,816.50)	287,094.50	244,943.87	42,150.63
<b>Total Instruction</b>	<b>1,204,042.00</b>	<b>(151,777.94)</b>	<b>1,052,264.06</b>	<b>982,063.20</b>	<b>70,200.86</b>
Support Services:					
Salaries of Supervisors of Instruction	27,786.00	(27,366.52)	419.48		419.48
Salaries of Principals/Asst. Principals/Program Directors	90,352.00	116.00	90,468.00	90,264.80	203.20
Salaries of Other Professional Staff	112,004.00	30,866.53	142,870.53	105,329.00	37,541.53
Salaries of Secretarial and Clerical Assistants	29,793.00	(2,395.35)	27,397.65	27,397.65	
Salaries - Other	69,693.00	(1,223.23)	68,469.77	68,469.77	
Sal. of Facilitators, Math, Literacy, and Master Teacher	86,832.00	(17,551.19)	69,280.81	69,280.81	
Personal Services - Employee Benefits	690,714.00	22,336.00	713,050.00	704,913.86	8,136.14
Cleaning, Repair & Maintenance Services		2,500.00	2,500.00	2,500.00	
Rentals		3,069.50	3,069.50	3,069.50	
Travel	844.00	(407.00)	437.00		437.00
Miscellaneous Purchased Services	25,000.00	72,751.20	97,751.20	96,989.36	761.84
Supplies and Material	25,000.00	63,203.00	88,203.00	86,396.98	1,806.02
Other Objects		5,879.00	5,879.00	4,064.00	1,815.00
<b>Total Support Services</b>	<b>1,158,018.00</b>	<b>151,777.94</b>	<b>1,309,795.94</b>	<b>1,258,675.73</b>	<b>51,120.21</b>
<b>Total Expenditures</b>	<b>\$ 2,362,060.00</b>	<b>\$ -</b>	<b>\$ 2,362,060.00</b>	<b>\$ 2,240,738.93</b>	<b>\$ 121,321.07</b>

**PROPRIETARY FUNDS**

**CITY OF SALEM SCHOOL DISTRICT**  
 Proprietary Fund  
 Statement of Net Position  
 June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 44,447.98
Interfund Accounts Receivable:	
Due from General Fund	500,446.45
Accounts Receivable:	
Federal	158,822.68
Other	1,126.91
Inventories	15,120.40
Total Current Assets	719,964.42
Noncurrent Assets:	
Equipment	409,741.41
Less Accumulated Depreciation	(213,060.57)
Total Noncurrent Assets	196,680.84
Total Assets	916,645.26
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	315,140.22
<b>NET POSITION:</b>	
Net Investment in Capital Assets	196,680.84
Unrestricted	404,824.20
Total Net Position	\$ 601,505.04

**CITY OF SALEM SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 6,832.81
Special Functions and Miscellaneous	21,182.95
	28,015.76
<b>Total Operating Revenues</b>	<b>28,015.76</b>
<b>OPERATING EXPENSES:</b>	
Purchased Professional/Technical Services	320,104.79
Cleaning/Repair/Maintenance	9,363.76
Other Purchased Services	80,719.15
General Supplies	8,954.88
Depreciation	12,999.99
Cost of Sales - Reimbursable Programs	322,999.48
Cost of Sales - Non-Reimbursable Programs	9,998.00
	765,140.05
<b>Total Operating Expenses</b>	<b>765,140.05</b>
Operating Income (Loss)	<b>(737,124.29)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Federal Sources:	
National Snack Program	1,753.92
SSO Federal Lunch	353,065.25
SSO Federal Breakfast	198,212.13
Fresh Fruits & Vegetables	43,581.19
Food Distribution Program	60,860.30
Emergency Operational Costs Reimbursement Program	111,722.61
P-EBT Administrative Cost Reimbursement	3,063.00
Summer Feeding Program	95,468.71
Interest and Investment Revenue	49.25
	867,776.36
<b>Total Nonoperating Revenues (Expenses)</b>	<b>867,776.36</b>
Change in Net Position	130,652.07
Net Position -- July 1	470,852.97
Net Position -- June 30	\$ 601,505.04

**CITY OF SALEM SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 27,007.26
Payments for Purchased Services	(410,187.70)
Payments to Suppliers	<u>(74,751.58)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(457,932.02)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State Sources	44.06
Federal Sources	479,847.25
Operating Subsidies and Transfers to Other Funds	<u>87,085.34</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>566,976.65</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Investment Revenue	<u>49.25</u>
Net Cash Provided by (Used for) Investing Activities	<u>49.25</u>
Net Increase (Decrease) in Cash and Cash Equivalents	109,093.88
Cash and Cash Equivalents -- July 1	<u>(64,645.90)</u>
Cash and Cash Equivalents -- June 30	<u>\$ 44,447.98</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	<u>\$ (737,124.29)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Food Distribution Program	60,860.30
Depreciation and Net Amortization	12,999.99
(Increase) Decrease in Accounts Receivable, Net	(1,008.50)
(Increase) Decrease in Inventories	319.59
Increase (Decrease) in Accounts Payable	<u>206,020.89</u>
Total Adjustments	<u>279,192.27</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (457,932.02)</u>

**LONG-TERM DEBT**

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds, Series 2008	08/20/08	\$ 3,670,000.00	02/15/22	\$ 245,000.00	4.250%	\$ 980,000.00	\$ 245,000.00	\$ 735,000.00
			02/15/23	250,000.00	4.250%			
			02/15/24	240,000.00	4.500%			
						\$ 980,000.00	\$ 245,000.00	\$ 735,000.00
						\$ 980,000.00	\$ 245,000.00	\$ 735,000.00

**CITY OF SALEM SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 98,802.00		\$ 98,802.00	\$ 98,802.00	
Total Local Sources	98,802.00	-	98,802.00	98,802.00	-
State Sources:					
Debt Service Aid Type II	188,142.00		188,142.00	188,142.00	
Total State Sources	188,142.00	-	188,142.00	188,142.00	-
Total Revenues	286,944.00	-	286,944.00	286,944.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	41,946.00		41,946.00	41,943.76	\$ 2.24
Redemption of Principal	245,000.00		245,000.00	245,000.00	
Total Expenditures	286,946.00	-	286,946.00	286,943.76	2.24
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2.00)		(2.00)	0.24	2.24
Fund Balance, July 1	2.70	-	2.70	2.70	-
Fund Balance, June 30	\$ 0.70	-	\$ 0.70	\$ 2.94	\$ 2.24

**STATISTICAL SECTION**

## **FINANCIAL TRENDS INFORMATION**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2021 (b)	2020	2019	2018	2017	2016	2015 (a)	2014	2013	2012
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 9,145,617.63	\$ 9,479,197.30	\$ 9,719,908.49	\$ 8,779,735.58	\$ 7,579,301.15	\$ 8,530,136.31	\$ 7,792,923.73	\$ 7,376,169.84	\$ 6,365,180.46	\$ 6,116,295.74
Restricted	207,351.36	207,002.70	210,369.49	1,137,828.68	1,849,960.73	1,217,528.21	792,710.31	532,252.99	1,814,016.06	445,678.49
Unrestricted (Deficit)	(8,485,219.17)	(9,758,708.73)	(10,524,346.30)	(9,760,199.94)	(9,342,071.32)	(7,897,218.15)	(839,958.48)	(1,023,041.02)	(1,093,119.65)	(1,105,188.75)
<b>Total Governmental Activities Net Position</b>	<b>\$ 867,749.82</b>	<b>\$ (72,508.73)</b>	<b>\$ (594,068.32)</b>	<b>\$ 157,364.32</b>	<b>\$ 87,190.56</b>	<b>\$ 1,850,446.37</b>	<b>\$ 7,745,675.56</b>	<b>\$ 6,885,381.81</b>	<b>\$ 7,086,076.87</b>	<b>\$ 5,456,785.48</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 196,680.84	\$ 209,680.83	\$ 43,524.75	\$ 66,076.04	\$ 74,896.19	\$ 92,002.82	\$ 108,283.72	\$ 97,351.29	\$ 112,546.92	\$ 88,112.96
Unrestricted (Deficit)	404,824.20	261,172.14	470,177.49	381,835.08	449,195.08	230,508.81	157,784.73	147,594.47	150,411.64	165,407.66
<b>Total Business-Type Activities Net Position</b>	<b>\$ 601,505.04</b>	<b>\$ 470,852.97</b>	<b>\$ 513,702.24</b>	<b>\$ 447,911.12</b>	<b>\$ 524,091.27</b>	<b>\$ 322,511.63</b>	<b>\$ 266,068.45</b>	<b>\$ 244,945.76</b>	<b>\$ 262,958.56</b>	<b>\$ 253,520.62</b>
<b>Government-Wide</b>										
Net Investment in Capital Assets	\$ 9,342,298.47	\$ 9,688,878.13	\$ 9,763,433.24	\$ 8,845,811.62	\$ 7,654,197.34	\$ 8,622,139.13	\$ 7,901,207.45	\$ 7,473,521.13	\$ 6,477,727.38	\$ 6,204,408.70
Restricted	207,351.36	207,002.70	210,369.49	1,137,828.68	1,849,960.73	1,217,528.21	792,710.31	532,252.99	1,814,016.06	445,678.49
Unrestricted (Deficit)	(8,080,394.97)	(9,497,536.59)	(10,054,168.81)	(9,378,364.86)	(8,892,876.24)	(7,666,709.34)	(682,173.75)	(875,446.55)	(942,708.01)	(939,781.09)
<b>Total Government-Wide Net Position (Deficit)</b>	<b>\$ 1,469,254.86</b>	<b>\$ 398,344.24</b>	<b>\$ (80,366.08)</b>	<b>\$ 605,275.44</b>	<b>\$ 611,281.83</b>	<b>\$ 2,172,958.00</b>	<b>\$ 8,011,744.01</b>	<b>\$ 7,130,327.57</b>	<b>\$ 7,349,035.43</b>	<b>\$ 5,710,306.10</b>

(a) - Beginning for the fiscal year ended June 30, 2015, the School District implemented GASB 68.

(b) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

**CITY OF SALEM SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2021 (b)	2020	2019	2018	2017	2016	2015 (a)	2014	2013	2012
<b>Expenses</b>										
Governmental Activities										
Instruction:										
Regular	\$ 9,420,361.87	\$ 8,651,072.60	\$ 7,797,885.36	\$ 7,852,589.83	\$ 7,996,953.61	\$ 7,844,400.41	\$ 7,779,874.47	\$ 8,190,283.78	\$ 8,113,641.04	\$ 8,160,387.93
Special Education	1,222,282.68	1,337,236.41	1,402,857.13	1,368,094.73	1,497,116.62	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47
Other Special Education							43,409.32	42,528.00		61,426.46
Vocational	388,719.96	406,450.13	388,398.47	356,824.83	319,925.06	312,490.08	313,132.46	319,057.44	379,765.76	391,878.73
Other Instruction	474,500.26	604,624.99	705,836.02	769,583.92	642,719.39	516,967.49	559,597.71	569,677.40	507,181.82	388,031.11
Support Services:										
Tuition	1,970,389.32	2,159,187.27	2,111,137.66	2,259,357.56	1,899,484.65	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02
Student & Instruction Related Services	4,998,678.44	4,283,997.11	4,199,503.70	4,110,241.13	4,279,219.50	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15
School Administrative Services	1,348,234.71	1,041,295.35	1,075,367.93	1,024,488.26	927,632.08	894,600.73	847,193.71	891,522.09	948,154.08	945,451.78
General & Business Administrative Services	1,325,757.07	906,428.03	947,249.54	1,083,590.64	904,422.94	858,186.43	775,548.46	794,560.83	749,358.19	860,797.54
Plant Operations and Maintenance	1,632,758.38	1,711,139.14	1,844,616.38	1,911,500.55	1,866,364.99	2,234,247.71	2,395,325.22	2,382,235.26	2,292,826.72	2,280,342.25
General Unallocated Depreciation	36,883.74	36,883.74	797,978.42	749,356.41	831,754.09	769,394.01	739,275.52	655,929.35	583,140.48	541,362.76
Pupil Transportation	580,276.36	842,184.90	1,031,652.00	918,835.88	713,038.78	758,956.62	779,764.20	554,695.40	558,027.05	647,115.59
Interest on Long-term Debt	35,599.46	45,029.24	54,307.21	64,891.91	74,901.06	96,021.62	114,031.76	124,530.76	132,611.28	139,235.16
Unallocated Benefits	11,178,167.91	11,424,674.16	9,657,039.38	12,905,613.28	9,475,533.95	8,405,002.64	5,497,323.19	5,965,616.95	5,124,360.98	5,195,766.16
Amortization of Debt Issuance Costs								9,430.56		9,801.49
<b>Total Governmental Activities Expenses</b>	<b>34,612,610.16</b>	<b>33,450,203.07</b>	<b>32,013,829.20</b>	<b>35,374,968.93</b>	<b>31,429,066.72</b>	<b>30,243,623.71</b>	<b>27,255,825.07</b>	<b>27,154,172.20</b>	<b>26,304,750.94</b>	<b>26,634,432.60</b>
Business-type Activities:										
Food Service	765,140.05	969,634.04	1,088,570.19	1,260,730.24	1,059,761.95	1,080,294.12	994,423.84	988,376.37	971,284.21	892,713.69
<b>Total Business-type Activities Expense</b>	<b>765,140.05</b>	<b>969,634.04</b>	<b>1,088,570.19</b>	<b>1,260,730.24</b>	<b>1,059,761.95</b>	<b>1,080,294.12</b>	<b>994,423.84</b>	<b>988,376.37</b>	<b>971,284.21</b>	<b>892,713.69</b>
<b>Total District Expenses</b>	<b>\$ 35,377,750.21</b>	<b>\$ 34,419,837.11</b>	<b>\$ 33,102,399.39</b>	<b>\$ 36,635,699.17</b>	<b>\$ 32,488,828.67</b>	<b>\$ 31,323,917.83</b>	<b>\$ 28,250,248.91</b>	<b>\$ 28,142,548.57</b>	<b>\$ 27,276,035.15</b>	<b>\$ 27,527,146.29</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,866,799.00	\$ 2,259,502.51	\$ 1,427,327.80	\$ 1,543,955.19	\$ 2,190,965.17	\$ 1,591,578.52	\$ 2,181,600.50	\$ 1,924,860.66	\$ 2,587,043.08	\$ 2,269,504.22
Operating Grants and Contributions	15,979,208.16	14,219,127.60	12,437,766.54	14,432,416.64	9,892,403.39	9,423,585.68	5,997,565.55	6,104,717.22	5,658,776.87	5,768,250.70
<b>Total Governmental Activities Program Revenues</b>	<b>17,846,007.16</b>	<b>16,478,630.11</b>	<b>13,865,094.34</b>	<b>15,976,371.83</b>	<b>12,083,368.56</b>	<b>11,015,164.20</b>	<b>8,179,166.05</b>	<b>8,029,577.88</b>	<b>8,245,819.95</b>	<b>8,037,754.92</b>
Business-type activities:										
Charges for Services:										
Food Service	28,015.76	75,105.46	105,027.90	100,395.05	111,225.33	202,129.98	249,149.56	255,521.32	259,200.56	252,885.44
Operating Grants and Contributions	867,727.11	851,483.66	1,049,038.12	1,083,613.85	1,065,391.29	934,069.12	765,974.43	714,427.50	720,642.75	649,537.00
<b>Total Business-type Activities Program Revenues</b>	<b>895,742.87</b>	<b>926,589.12</b>	<b>1,154,066.02</b>	<b>1,184,008.90</b>	<b>1,176,616.62</b>	<b>1,136,199.10</b>	<b>1,015,123.99</b>	<b>969,948.82</b>	<b>979,843.31</b>	<b>902,422.44</b>
<b>Total District Program Revenues</b>	<b>\$ 18,741,750.03</b>	<b>\$ 17,405,219.23</b>	<b>\$ 15,019,160.36</b>	<b>\$ 17,160,380.73</b>	<b>\$ 13,259,985.18</b>	<b>\$ 12,151,363.30</b>	<b>\$ 9,194,290.04</b>	<b>\$ 8,999,526.70</b>	<b>\$ 9,225,663.26</b>	<b>\$ 8,940,177.36</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (16,766,603.00)	\$ (16,971,572.96)	\$ (18,148,734.86)	\$ (19,398,597.10)	\$ (19,345,698.16)	\$ (19,228,459.51)	\$ (19,076,659.02)	\$ (19,124,594.32)	\$ (18,058,930.99)	\$ (18,596,677.68)
Business-type Activities	130,602.82	(43,044.92)	65,495.83	(76,721.34)	116,854.67	55,904.98	20,700.15	(18,427.55)	8,559.10	9,708.75
<b>Total District-wide Net Expense</b>	<b>\$ (16,636,000.18)</b>	<b>\$ (17,014,617.88)</b>	<b>\$ (18,083,239.03)</b>	<b>\$ (19,475,318.44)</b>	<b>\$ (19,228,843.49)</b>	<b>\$ (19,172,554.53)</b>	<b>\$ (19,055,958.87)</b>	<b>\$ (19,143,021.87)</b>	<b>\$ (18,050,371.89)</b>	<b>\$ (18,586,968.93)</b>

(continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,488,970.04	\$ 2,440,167.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00
Taxes Levied for Debt Service	98,802.00	103,967.00	105,620.00	109,838.00	111,421.00	115,984.00	119,943.00	119,909.00	123,446.00	105,301.00
Federal and State Aid not Restricted	14,931,098.63	15,024,779.98	14,882,052.90	16,921,143.65	15,664,837.13	17,486,250.20	17,402,959.62	16,383,157.56	17,194,441.41	16,119,494.15
Federal and State Aid Restricted								(7,853.49)	(23,010.83)	(250,457.08)
Miscellaneous Income	47,349.96	57,954.59	17,308.32	45,468.21	23,187.61	17,525.12	14,519.41	28,552.32	56,618.86	143,831.17
Amortization of Premium Received on Sale of Bonds							7,209.74	7,812.87	8,238.56	8,628.84
Cancellation of Prior Year Receivable		(133,736.02)								
Loss on Disposal of Asset					(5,350.02)					
<b>Total Governmental Activities</b>	<b>17,566,220.63</b>	<b>17,493,132.55</b>	<b>17,397,302.22</b>	<b>19,468,770.86</b>	<b>18,186,416.72</b>	<b>20,012,080.32</b>	<b>19,936,952.77</b>	<b>18,923,899.26</b>	<b>19,752,055.00</b>	<b>18,519,119.08</b>
Business-type Activities:										
Interest and Investment Revenue	49.25	195.65	295.29	541.19	483.07	538.20	422.54	414.75	878.84	899.27
<b>Total Business-type Activities</b>	<b>49.25</b>	<b>195.65</b>	<b>295.29</b>	<b>541.19</b>	<b>483.07</b>	<b>538.20</b>	<b>422.54</b>	<b>414.75</b>	<b>878.84</b>	<b>899.27</b>
<b>Total Government-wide</b>	<b>\$ 17,566,269.88</b>	<b>\$ 17,493,328.20</b>	<b>\$ 17,397,597.51</b>	<b>\$ 19,469,312.05</b>	<b>\$ 18,186,899.79</b>	<b>\$ 20,012,618.52</b>	<b>\$ 19,937,375.31</b>	<b>\$ 18,924,314.01</b>	<b>\$ 19,752,933.84</b>	<b>\$ 18,520,018.35</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 799,617.63	\$ 521,559.59	\$ (751,432.64)	\$ 70,173.76	\$ (1,159,281.44)	\$ 783,620.81	\$ 860,293.75	\$ (200,695.06)	\$ 1,693,124.01	\$ (77,558.60)
Business-type Activities	130,652.07	(42,849.27)	65,791.12	(76,180.15)	117,337.74	56,443.18	21,122.69	(18,012.80)	9,437.94	10,608.02
<b>Total District</b>	<b>\$ 930,269.70</b>	<b>\$ 478,710.32</b>	<b>\$ (685,641.52)</b>	<b>\$ (6,006.39)</b>	<b>\$ (1,041,943.70)</b>	<b>\$ 840,063.99</b>	<b>\$ 881,416.44</b>	<b>\$ (218,707.86)</b>	<b>\$ 1,702,561.95</b>	<b>\$ (66,950.58)</b>

(a) - Beginning for the fiscal year ended June 30, 2015, the School District implemented GASB 68.  
 (b) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

**CITY OF SALEM SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u> (a)	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Restricted	\$ 82,000.00	\$ 207,000.00	\$ 207,000.00	\$ 1,137,826.46	\$ 1,849,958.75	\$ 851,244.01	\$ 561,551.90	\$ 237,222.39	\$ 155,489.20	\$ 79,580.47
Assigned	944,494.63	1,099,990.53	746,349.39	975,812.23	653,353.53	1,310,564.75	1,509,398.42	1,452,459.46	2,698,764.65	1,299,216.45
Unassigned (Deficit)	(829,354.30)	(1,893,628.05)	(2,179,235.95)	(1,229,190.91)	(986,013.29)	(995,214.93)	(1,040,961.66)	(1,106,648.97)	(1,073,394.99)	(1,005,547.93)
<b>Total General Fund</b>	<b>\$ 197,140.33</b>	<b>\$ (586,637.52)</b>	<b>\$ (1,225,886.56)</b>	<b>\$ 884,447.78</b>	<b>\$ 1,517,298.99</b>	<b>\$ 1,166,593.83</b>	<b>\$ 1,029,988.66</b>	<b>\$ 583,032.88</b>	<b>\$ 1,780,858.86</b>	<b>\$ 373,248.99</b>
All Other Governmental Funds										
Restricted	\$ 125,351.36	\$ 2.70	\$ 3,369.49	\$ 2.22	\$ 1.98	\$ 1.50	\$ 1.26	\$ 1.02	\$ 0.78	\$ 48,125.76
Assigned									7,853.49	
Unassigned (Deficit)	(234,630.00)	(226,860.90)	(221,672.00)	(218,388.00)	(218,388.00)	(219,618.00)	(215,892.00)	(184,337.00)	(180,053.00)	(147,492.00)
<b>Total All Other Governmental Funds</b>	<b>\$ (109,278.64)</b>	<b>\$ (226,858.20)</b>	<b>\$ (218,302.51)</b>	<b>\$ (218,385.78)</b>	<b>\$ (218,386.02)</b>	<b>\$ (219,616.50)</b>	<b>\$ (215,890.74)</b>	<b>\$ (184,335.98)</b>	<b>\$ (172,198.73)</b>	<b>\$ (99,366.24)</b>

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

**CITY OF SALEM SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015 (a)	2014	2013	2012
<b>Revenues</b>										
Tax Levy	\$ 2,587,772.04	\$ 2,544,134.00	\$ 2,497,941.00	\$ 2,502,159.00	\$ 2,503,742.00	\$ 2,508,305.00	\$ 2,512,264.00	\$ 2,512,230.00	\$ 2,515,767.00	\$ 2,497,622.00
Tuition Charges	1,866,799.00	2,259,502.51	1,427,327.80	1,543,955.19	2,190,965.17	1,591,578.52	2,181,600.50	1,924,860.66	2,579,740.58	2,269,504.22
Miscellaneous	47,349.96	57,954.59	17,308.32	45,468.21	23,187.61	17,525.12	14,519.41	28,552.32	63,921.36	80,735.32
Local Sources	24,568,661.13	23,353,558.64	23,022,519.75	24,085,734.04	17,721.23	14,468.54	17,847.71	2,000.00	12,529.00	26,196.00
State Sources	3,039,498.52	1,472,980.56	1,553,964.43	1,459,073.78	22,100,838.43	22,809,234.23	21,925,543.85	20,966,847.51	20,700,708.77	19,738,703.56
Federal Sources	153,907.14	58,152.38	17,285.26	18,927.47	1,477,139.86	1,607,360.11	1,457,133.61	1,519,027.27	2,139,980.51	2,122,845.29
<b>Total Revenue</b>	<b>32,263,987.79</b>	<b>29,746,282.68</b>	<b>28,536,346.56</b>	<b>29,655,317.69</b>	<b>28,313,594.30</b>	<b>28,548,471.52</b>	<b>28,108,909.08</b>	<b>26,953,517.76</b>	<b>28,012,647.22</b>	<b>26,735,606.39</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	8,641,968.46	7,888,876.01	7,758,764.15	7,827,280.23	7,979,872.74	7,832,368.97	7,750,373.88	8,141,996.46	8,065,550.91	8,114,973.37
Special Education Instruction	1,222,282.68	1,337,236.41	1,402,857.13	1,368,094.73	1,497,116.62	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47
Other Special Instruction							43,409.32	42,528.00		61,426.46
Vocational Education	388,719.96	406,450.13	388,398.47	356,824.83	319,925.06	312,490.08	313,132.46	319,057.44	379,765.76	391,878.73
Other Instruction	474,500.26	604,624.99	705,836.02	769,583.92	642,719.39	516,967.49	559,597.71	569,677.40	507,181.82	388,031.11
Support Services:										
Tuition	1,970,389.32	2,159,187.27	2,111,137.66	2,259,357.56	1,899,484.65	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02
Student & Instruction Related Services	4,998,678.44	4,283,997.11	4,199,503.70	4,110,241.13	4,279,219.50	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15
School Administrative Services	1,348,234.71	1,041,295.35	1,075,367.93	1,024,488.26	927,632.08	894,600.73	847,193.71	891,522.09	948,154.08	945,451.78
Other Administrative Services	1,320,115.17	900,786.13	941,401.72	1,002,982.83	891,256.93	845,071.30	761,355.07	780,005.11	734,114.93	845,851.53
Plant Operations and Maintenance	1,622,355.23	1,700,735.99	1,828,128.49	1,891,601.83	1,842,120.67	2,205,485.79	2,365,934.09	2,352,093.42	2,268,610.60	2,262,315.81
Pupil Transportation	580,276.36	842,184.90	1,031,652.00	918,835.88	713,038.78	758,956.62	779,764.20	554,695.40	558,027.05	647,115.59
Unallocated Benefits	8,398,619.72	7,193,285.59	7,345,959.90	6,641,532.58	6,590,745.79	5,828,935.32	5,513,939.29	6,002,694.88	5,467,370.55	5,209,157.13
Capital Outlay	250,187.23	321,249.67	1,550,846.70	1,798,351.12	244,468.72	1,330,516.08	999,115.52	1,489,578.60	469,599.33	525,556.90
Debt Service:										
Principal	245,000.00	250,000.00	245,000.00	245,000.00	240,000.00	230,000.00	230,000.00	220,000.00	215,000.00	205,000.00
Interest and Other Charges	41,943.76	51,943.76	61,743.76	73,993.76	83,593.76	106,843.76	118,343.76	128,243.76	135,231.00	141,637.50
<b>Total Expenditures</b>	<b>31,503,271.30</b>	<b>28,981,853.31</b>	<b>30,646,597.63</b>	<b>30,288,168.66</b>	<b>28,151,194.69</b>	<b>28,415,592.11</b>	<b>27,693,508.06</b>	<b>28,155,627.50</b>	<b>26,654,859.01</b>	<b>26,751,231.55</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	760,716.49	764,429.37	(2,110,251.07)	(632,850.97)	162,399.61	132,879.41	415,401.02	(1,202,109.74)	1,357,788.21	(15,625.16)
<b>Other Financing Sources (Uses)</b>										
Cancellation on Prior Year Receivable		(133,736.02)								
Cancelation of State Aid								(7,853.49)	(23,010.83)	(250,457.08)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(133,736.02)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,853.49)</b>	<b>(23,010.83)</b>	<b>(250,457.08)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 760,716.49</b>	<b>\$ 630,693.35</b>	<b>\$ (2,110,251.07)</b>	<b>\$ (632,850.97)</b>	<b>\$ 162,399.61</b>	<b>\$ 132,879.41</b>	<b>\$ 415,401.02</b>	<b>\$ (1,209,963.23)</b>	<b>\$ 1,334,777.38</b>	<b>\$ (266,082.24)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.9%	1.1%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

**CITY OF SALEM SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Refunds of Prior Year Expenses	\$ 8,951.44	\$ 11,947.10		\$ 13,854.18	\$ 11,586.69	\$ 3,861.90	\$ 3,715.66	\$ 4,442.78	\$ 7,606.37	\$ 15,577.41
Cancellation of Prior Years' Payables				16,005.53	31,049.32			490.50	4,274.31	16,021.50
Cancellation of Prior Years' Outstanding Checks						412.00				
Donations									50.00	
Rentals		800.00	\$ 625.00		1,360.00	2,375.00	3,970.00	2,975.00	3,295.00	2,530.00
Sale of Equipment		3,477.57								50.00
NJ Clean Energy Program										10,664.00
Anti-Bullying Bill										897.00
Interest on Investments	2,068.71	1,932.38	2,418.50	3,382.89	3,713.80	5,650.58	5,741.67	4,883.91	5,574.02	7,632.59
Miscellaneous	36,329.81	39,797.54	14,264.82	12,225.61	(24,522.20)	48,950.19	4,097.79	1,726.22	7,752.62	3,246.36
	<u>\$ 47,349.96</u>	<u>\$ 57,954.59</u>	<u>\$ 17,308.32</u>	<u>\$ 45,468.21</u>	<u>\$ 23,187.61</u>	<u>\$ 61,249.67</u>	<u>\$ 17,525.12</u>	<u>\$ 14,518.41</u>	<u>\$ 28,552.32</u>	<u>\$ 56,618.86</u>

Source: District Records

## **REVENUE CAPACITY INFORMATION**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

Year Ended	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2021	\$ 2,291,400	\$ 68,503,020	\$ 153,500	\$ 122,600	\$ 30,784,270	\$ 12,912,500	\$ 5,716,800	\$ 120,484,090	\$ 2,597,646	\$ 123,081,736	\$ 68,718,100	\$ 138,147,898	\$ 2.127
2020	2,275,500	68,430,720	153,500	126,500	33,031,200	12,912,500	5,887,400	122,817,320	2,298,168	125,115,488	68,583,200	141,460,835	2.055
2019	2,726,800	69,396,520	153,500	116,400	30,456,900	12,912,500	5,887,400	121,650,020	2,138,816	123,788,836	70,769,501	143,452,147	2.042
2018	2,726,200	69,566,940	153,500	116,400	30,779,600	12,912,500	5,945,900	122,201,040	2,181,563	124,382,603	70,690,600	137,337,997	2.008
2017	2,585,600	69,479,900	153,500	116,400	29,729,900	13,644,800	5,945,900	121,656,000	2,300,510	123,956,510	72,170,100	138,281,915	2.006
2016	5,272,300	142,121,500	346,900	151,100	36,575,100	22,642,396	6,181,900	213,291,196	2,276,638	215,567,834	96,357,341	148,802,571	1.148
2015	6,617,200	146,713,500	406,500	151,100	40,344,400	21,392,396	6,181,900	221,806,996	2,155,317	223,962,313	93,375,241	182,708,281	1.111
2014	6,662,100	149,017,800	406,500	151,100	43,754,600	22,891,396	6,181,900	229,065,396	2,159,934	231,225,330	92,998,641	220,204,853	1.078
2013	5,207,300	149,992,100	406,500	167,700	44,342,843	22,891,396	6,181,900	229,189,739	2,142,019	231,331,758	93,141,441	223,829,116	1.079
2012	5,204,500	152,171,600	406,500	167,700	44,545,043	22,891,396	6,181,900	231,568,639	2,455,218	234,023,857	93,429,141	217,707,718	1.073

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

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

Source: Municipal Tax Assessor

**CITY OF SALEM SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Years  
 (rate per \$100 of assessed value)  
 Unaudited

Year Ended <u>Dec. 31,</u>	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	City of Salem	County of Salem	
2021	\$ 2.047	\$ 0.080	\$ 2.127	\$ 3.774	\$ 1.357	\$ 7.258
2020	1.972	0.083	2.055	3.688	1.369	7.112
2019	1.956	0.085	2.042	3.631	1.396	7.069
2018	1.919	0.088	2.008	3.602	1.304	6.914
2017	1.917	0.089	2.006	3.583	1.241	6.830
2016	1.096	0.052	1.148	2.028	0.740	3.916
2015	1.061	0.051	1.111	1.947	0.808	3.866
2014	1.027	0.050	1.078	1.851	0.917	3.846
2013	1.027	0.052	1.079	1.812	0.932	3.823
2012	1.022	0.051	1.073	1.753	0.902	3.728

Source: Municipal Tax Collector

**CITY OF SALEM SCHOOL DISTRICT**  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Unaudited

<u>Taxpayer</u>	2021			2012		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
83 Griffith LLC	\$ 5,884,000	1	4.8%			
4th and Griffith Street, LLC	4,977,200	2	4.0%			
United Way of Salem County, Inc.	3,745,200	3	3.0%			
PSEG Power, LLC	3,445,000	4	2.8%			
Verizon	2,245,604	5	1.8%			
Aluchem, Inc.	2,060,000	6	1.7%	Information Not Available		
Tilbury Road Associates, Inc.	1,796,200	7	1.5%			
Salem Chestnut Apartments	1,625,000	8	1.3%			
49 Broadway Partners	1,456,800	9	1.2%			
Sterigenics Corporation	1,366,700	10	1.1%			
<b>Total</b>	<b>\$ 28,601,704</b>		<b>23.24%</b>	<b>-</b>		<b>0.00%</b>

Sources: Tax Assessor's Records

**CITY OF SALEM SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Collected within the Fiscal Year of the Levy (1)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	<u>Collections in</u> <u>Subsequent Years</u>
2021	\$ 2,617,781.00	\$ 2,617,781.00	100.00%	-
2020	2,571,489.00	2,571,489.00	100.00%	-
2019	2,528,761.00	2,528,761.00	100.00%	-
2018	2,502,159.00	2,502,159.00	100.00%	-
2017	2,502,159.00	2,049,311.22	81.90%	\$ 452,847.78
2016	2,503,742.00	1,905,661.68	76.11%	598,080.32
2015	2,506,068.00	1,907,987.72	76.13%	598,080.28
2014	2,508,305.00	2,109,585.04	84.10%	398,719.96
2013	2,512,264.00	2,312,903.92	92.06%	199,360.08
2012	2,512,230.00	2,113,509.92	84.13%	398,720.08

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

Source: District Records

## **Debt Capacity Information**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2021	\$ 735,000.00	-	-	-	-	\$ 735,000.00	Unavailable	Unavailable	
2020	980,000.00	-	-	-	-	980,000.00	Unavailable	Unavailable	
2019	1,230,000.00	-	-	-	-	1,230,000.00	0.52%	\$ 261.54	
2018	1,475,000.00	-	-	-	-	1,475,000.00	0.64%	309.61	
2017	1,720,000.00	-	-	-	-	1,720,000.00	0.77%	359.08	
2016	1,960,000.00	-	-	-	-	1,960,000.00	0.89%	406.89	
2015	2,195,000.00	-	-	-	-	2,195,000.00	1.00%	451.00	
2014	2,425,000.00	-	-	-	-	2,425,000.00	1.14%	491.79	
2013	2,655,000.00	-	-	-	-	2,655,000.00	1.26%	533.13	
2012	2,875,000.00	-	-	-	-	2,875,000.00	1.37%	571.12	

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Sources: (1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Population information provided by the NJ Dept Of Labor and Workforce Development

**CITY OF SALEM SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2021	\$ 735,000.00	-	\$ 735,000.00	0.60%	Unavailable
2020	980,000.00	-	980,000.00	0.79%	\$ 207.94
2019	1,230,000.00	-	1,230,000.00	0.99%	261.54
2018	1,475,000.00	-	1,475,000.00	1.19%	309.61
2017	1,720,000.00	-	1,720,000.00	0.80%	359.08
2016	1,960,000.00	-	1,960,000.00	0.88%	406.89
2015	2,195,000.00	-	2,195,000.00	0.95%	451.00
2014	2,425,000.00	-	2,425,000.00	1.05%	491.79
2013	2,655,000.00	-	2,655,000.00	1.13%	533.13
2012	2,875,000.00	-	2,875,000.00	1.23%	571.12

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Population information provided by the NJ Dept Of Labor and Workforce Development

**CITY OF SALEM SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2020  
 Unaudited

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (2)</u>
<b>Municipal Debt: (1)</b>				
Salem City School District	\$ 980,000.00	\$ 980,000.00	-	-
City of Salem	31,249,138.68	29,786,126.31	\$ 1,463,012.37	\$ 1,463,012.37
<b>Overlapping Debt Apportioned to Municipality:</b>				
County of Salem - City's Share	86,340,000.00	5,647,496.00	80,692,504.00	2,239,500.00
Salem County Improvement Authority	16,033,292.00	16,033,292.00	-	-
<b>Total Direct and Overlapping Debt</b>				<b><u><u>\$ 3,702,512.37</u></u></b>

## Sources:

- (1) 2020 Annual Debt Statement / Audit Report
- (2) Such debt is allocated as a proportion of the City's share of the total 2020 Equalized Value, which is 2.775%.  
 The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.  
 Assessed value data used to estimate applicable percentages provided by County of Salem.  
 Debt outstanding provided by applicable governmental unit.

**CITY OF SALEM SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

**Legal Debt Margin Calculation for Fiscal Year 2020**

		<u>Equalized Valuation Basis (1)</u>
	2020	\$ 134,182,585
	2019	133,946,289
	2018	<u>137,971,141</u>
	<b>[A]</b>	<b>\$ 406,100,015</b>
	<b>Average equalized valuation of taxable property [A/3]</b>	<b>\$ 135,366,672</b>
	Debt limit (4 % of average equalization value) (2)	<b>[B] \$ 5,414,667</b>
	Total Net Debt Applicable to Limit (3)	<b>[C] <u>735,000</u></b>
	Legal Debt Margin	<b>[B-C] \$ <u>4,679,667</u></b>

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 5,414,666.87	\$ 5,367,490.13	\$ 5,545,818.25	\$ 5,670,748.41	\$ 6,336,364.04	\$ 7,197,663.93	\$ 8,135,799.63	\$ 8,606,655.08	\$ 8,882,850.71	\$ 9,282,874.59
Total net debt applicable to limit	<u>735,000.00</u>	<u>980,000.00</u>	<u>1,230,000.00</u>	<u>1,475,000.00</u>	<u>1,720,000.00</u>	<u>1,960,000.00</u>	<u>2,195,000.00</u>	<u>2,425,000.00</u>	<u>2,655,000.00</u>	<u>2,875,000.00</u>
Legal debt margin	<u>\$ 4,679,666.87</u>	<u>\$ 4,387,490.13</u>	<u>\$ 4,315,818.25</u>	<u>\$ 5,940,799.63</u>	<u>\$ 4,616,364.04</u>	<u>\$ 6,907,247.00</u>	<u>\$ 6,087,674.00</u>	<u>\$ 4,499,419.00</u>	<u>\$ 2,955,736.00</u>	<u>\$ 2,001,356.00</u>
Total net debt applicable to the limit as a percentage of debt limit	13.57%	18.26%	22.18%	26.01%	27.14%	27.23%	26.98%	28.18%	29.89%	30.97%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records.

## **Demographic and Economic Information**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Years  
Unaudited

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2021	(5)	(5)	(5)	(5)
2020	4,713	(5)	(5)	17.9%
2019	4,703	\$ 236,104,709	\$ 50,203	10.9%
2018	4,764	229,172,220	48,105	10.9%
2017	4,790	223,764,850	46,715	13.5%
2016	4,817	221,254,444	45,932	12.1%
2015	4,867	220,085,740	45,220	14.1%
2014	4,931	213,216,440	43,240	15.3%
2013	4,980	210,245,640	42,218	20.1%
2012	5,034	209,776,848	41,672	17.4%

**Source:**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Principal Employers  
 Current Year and Nine Years Ago  
 Unaudited

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	<b>NOT AVAILABLE</b>			<b>NOT AVAILABLE</b>		
	_____		_____	_____		_____
	=====		=====	=====		=====

## **Operating Information**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

Function/Program	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction:										
Regular	132	143	136	135	133	132	124	125	130	129
Special education	20	18	20	22	23	33	36	38	37	34
Support Services:										
Student & instruction related services	34	40	40	39	39	23	36	37	39	34
General administrative services	3	3	3	3	3	4	3	3	3	3
School administrative services	15	15	15	16	16	17	13	13	13	16
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	12	13	14	15	16	16	18	16	17	17
Total	221	237	233	235	235	230	235	237	244	238

Source: District Personnel Records

**CITY OF SALEM SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	Ending June	Operating Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily	Average Daily	% Change	Student
							Elementary	Middle School	High School	Enrollment (ADE)	Attendance (ADA)	Average Daily Enrollment	Attendance Percentage
2021		1,303	\$ 30,966,140	\$ 23,765	8.69%	132	1:16.5	1:16	1:9.5	1,168	1,047	-5.43%	89.6%
2020		1,297	28,358,660	21,865	-3.24%	138	1:11	1:13	1:8	1,235	1,145	0.24%	92.7%
2019		1,274	28,789,007	22,597	-6.23%	196	1:11	1:13	1:8	1,232	1,164	5.48%	94.5%
2018		1,169	28,170,824	24,098	3.35%	203	1:13	1:9	1:6	1,168	1,060	2.64%	90.8%
2017		1,183	27,583,132	23,316	2.34%	201	1:13	1:10	1:7	1,138	1,014	-0.52%	89.1%
2016		1,174	26,748,232	22,784	1.96%	208	1:16	1:10	1:7	1,144	1,059	-1.29%	92.6%
2015		1,179	26,346,049	22,346	2.91%	200	1:13	1:9	1:7	1,159	1,065	-2.61%	91.9%
2014		1,212	26,317,805	21,714	1.36%	200	1:12	1:10	1:6	1,190	1,083	0.59%	91.0%
2013		1,206	25,835,029	21,422	2.40%	206	1:11	1:9	1:7	1,183	1,090	-5.21%	92.1%
2012		1,237	25,879,037	20,921	-2.82%	197	1:10	1:9	1:8	1,248	1,154	1.27%	92.5%

**Sources:** District records, ASSA Report, School Register Summary Report, and Schedules J-4 & J-16

**CITY OF SALEM SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Elementary</u></b>										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	382	432	433	456	457	457	469	460	420	402
<b><u>Middle School</u></b>										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	414	468	470	380	396	391	425	439	452	447
<b><u>High School</u></b>										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	380	397	371	336	321	321	319	327	347	383
<b><u>Other</u></b>										
Maintenance Garage (1985)										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	960	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	288	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Garage Building										
Square Feet (2005)	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Mini Barn										
Square Feet (2005)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
TCU Trailers (6)										
Square Feet (2012)	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	N/A

Number of Schools at June 30, 2021

  Elementary = 1

  Middle School = 1

  High School = 1

**Source:** District records, ASSA Report

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 XX-000-261-XXX

* School Facilities	Project #	Fiscal Year Ended June 30,										
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
District Wide	N/A	\$ 18,744.45	\$ 25,386.47	\$ 13,067.83	\$ 13,067.83	\$ 12,937.40	\$ 11,095.80					
Elementary School	N/A	20,791.73	28,159.19	14,495.10	14,495.10	3,370.28	66,996.36	\$ 85,948.80	\$ 46,915.32	\$ 34,856.56	\$ 19,808.66	
Middle School	N/A	36,689.93	49,690.86	25,578.65	25,578.65	21,703.48	52,573.37	98,074.40	19,873.36	24,803.39	37,390.78	
High School	N/A	48,478.59	65,656.80	33,797.20	33,797.20	41,163.81	150,754.03	51,242.65	56,208.61	187,861.99	60,187.61	
<b>Total</b>		<b>\$ 124,704.70</b>	<b>\$ 168,893.32</b>	<b>\$ 86,938.78</b>	<b>\$ 86,938.77</b>	<b>\$ 79,174.97</b>	<b>\$ 281,419.56</b>	<b>\$ 235,265.85</b>	<b>\$ 122,997.29</b>	<b>\$ 247,521.94</b>	<b>\$ 117,387.05</b>	

\* 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

## CITY OF SALEM SCHOOL DISTRICT

Insurance Schedule

June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property:		
Real & Personal Property	\$ 450,000,000	\$ 5,000
Demolition and Increased Cost of Construction	25,000,000	
Loss of Income/Tuition	2,035,958	
Earthquake	50,000,000	
Flood Zones	75,000,000	500,000
Other Flood Zones	75,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Pollutant Cleanup and Removal	250,000	
Arson Reward	10,000	
Fire Department Service Charge	10,000	
Accounts Receivable	250,000	
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software	850,000	1,000
Transit	25,000	
Loss of Income	10,000	
Flood:		
Flood Hazard Area Flood	500,000	
Other Zones	10,000	
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability:		
Bodily Injury and Property Damage	6,000,000	
Products and Completed Operations	6,000,000	
Sexual Abuse	6,000,000	
Personal Injury and Advertising Injury	6,000,000	
Employee Benefits Liability	6,000,000	1,000
Terrorism	1,000,000	
Premises Medical Payments:		
Per Person	5,000	
Per Accident	10,000	
Automobile Liability:		
Bodily Injury and Property Damage	6,000,000	1,000
Uninsured/Underinsured Motorists-Private Passenger Auto	1,000,000	
Uninsured/Underinsured Motorists-All Other Vehicles		
Per Person	15,000	
Per Accident	30,000	
Property Damage	5,000	
Personal Injury Protection	250,000	
Medical Payments for Private Passenger Vehicles	10,000	
Medical Payments for All Other Vehicles	5,000	
Terrorism	1,000,000	
Crime:		
Dishonesty with Faithful Performance	100,000	500
Forgery or Alteration	100,000	500
Theft, Disappearance, & Destruction	50,000	500
Computer Fraud	50,000	500
Employers' Liability:		
Coverage B:		
Bodily Injury Each Accident	2,000,000	
Bodily Injury Each Employee	2,000,000	
Policy Limit Bodily Injury by Disease	2,000,000	
School Leaders Errors & Omissions:		
Coverage A: Per Policy Period	6,000,000	10,000
Coverage B: Per Each Claim/Per Policy Period	100,000/300,000	10,000
Student Accident	25,000	
Catastrophic Student Accident	5,000,000	25,000
Workers' Compensation	2,000,000	
Environmental Impairment Liability (Aggregate)	11,000,000	25,000
Surety Bonds:		
Treasurer	300,000	
Board Secretary/Business Administrator	50,000	

**SINGLE AUDIT SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
City of Salem School District  
Salem, New Jersey

**Report on Compliance for Each Major Federal and State Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Extraordinary Special Education Aid***

As described in the accompanying *Schedule of Findings and Questioned Costs* and in the *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, the City of Salem School District, in the County of Salem, State of New Jersey, did not comply with requirements regarding Extraordinary Special Education Aid as described in Finding No. 2021-007 for all applicable compliance requirements. Compliance with such requirements is necessary, in our opinion, for the City of Salem School District, to comply with the requirements applicable to that program.

***Qualified Opinion on Extraordinary Special Education Aid***

In our opinion, except for the noncompliance described in the "*Basis for Qualified Opinion Extraordinary Special Education Aid*" paragraph, the City of Salem School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Extraordinary Special Education Aid for the fiscal year ended June 30, 2021.

***Unmodified Opinion on Each of the Other Major Federal and State Programs***

In our opinion, the City of Salem School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs* for the fiscal year ended June 30, 2021.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2021-004, Finding No. 2021-005, and Finding No. 2021-006. Our opinion on each major federal and state program is not modified with respect to these matters.

The City of Salem School District's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2021-003 and Finding No. 2021-007 to be material weaknesses.

The City of Salem School District's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The City of Salem School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
March 14, 2022

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020
						From	To	
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medicaid Cluster:								
Medical Assistance Program Medicaid; Title XIX	93.778		2005NJ5MAP	N/A	\$ 120,436.23	07/01/20	06/30/21	
Total Medical Assistance Program Medicaid Cluster								-
Total General Fund								-
Special Revenue Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Part A Grants to Local Educational Agencies	84.010		S010A160030	ESSA463020	867,306.00	07/01/19	09/30/20	\$ (99,360.27)
Title I Part A Grants to Local Educational Agencies	84.010		S010A200030	ESSA463021	893,253.00	07/01/20	09/30/21	
Passed through Title I - Part A Funds:								
SIA Part A	84.010		S010A160030	ESSA463020	120,811.00	07/01/19	09/30/20	7,567.50
SIA Part A	84.010		S010A200030	ESSA463021	60,500.00	07/01/20	09/30/21	
Total Title I Grants to Local Educational Agencies								(91,792.77)
Supporting Effective Instruction State Grant Title II, Part A	84.367		S367B150027	ESSA463020	84,106.00	07/01/19	09/30/20	(9,179.00)
Supporting Effective Instruction State Grant Title II, Part A	84.367		S367A200029	ESSA463021	73,227.00	07/01/20	09/30/21	
Total Supporting Effective Instruction State Grant Title II, Part A								(9,179.00)
State Assessment Program (Title IV, Part A)	84.424		S424A170031	ESSA054020	50,645.00	07/01/19	09/30/20	(10,635.00)
State Assessment Program (Title IV, Part A)	84.424		S424A200031	ESSA054021	62,880.00	07/01/20	09/30/21	
Total State Assessment Program (Title IV, Part A)								(10,635.00)
Special Education Cluster:								
Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A200100	IDEA463021	360,644.00	07/01/20	09/30/21	
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A200114	IDEA463021	8,472.00	07/01/20	09/30/21	
Total Special Education Cluster (I.D.E.A.)								-
Career and Technical Education - Basic Grants (Perkins):								
Career and Technical Education CTE (Perkins IV)	84.048		V048A200030	PERK463021	15,050.00	07/01/20	06/30/21	-
Education Stabilization Fund (ESF):								
Elementary and Secondary School Emergency Relief Fund (ESSER)(CARES Act)	84.425D	COVID-19, 84.425D	S425D200027	CARE463020	722,003.00	03/13/20	09/30/22	(426,540.00)
Elementary and Secondary School Emergency Relief Fund (ESSERII)(CARES Act)	84.425D	COVID-19, 84.425D	S425D210027	CARE463021	2,797,869.00	03/13/20	09/30/23	
Elementary and Secondary School Emergency Relief Fund (Learning Acceleration)	84.425D	COVID-19, 84.425D	S425D210027	CARE463021	176,553.00	03/13/20	09/30/23	
Total Elementary and Secondary School Emergency Relief Fund								(426,540.00)
Total U.S. Department of Education								(538,146.77)
U.S. Department of Treasury:								
Passed Through N.J. State Department of Education:								
Coronavirus Relief Fund - School Re-Opening and Remote Learning	21.019	COVID-19	STL0228	Not Available	133,392.00	07/16/20	10/31/20	
Coronavirus Relief Fund - Digital Divide	21.019	COVID-19	STL0228	Not Available	276,349.00	07/16/20	10/31/20	
Total Coronavirus Relief Fund								-
Total Special Revenue Fund								(538,146.77)
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Fresh Fruit & Vegetable Program	10.582		201NJ304L1603	Unavailable	24,516.96	07/01/19	06/30/20	(1,503.82)
Fresh Fruit & Vegetable Program	10.582		211NJ304L1603	Unavailable	43,581.19	07/01/20	06/30/21	
Total Fresh Fruit & Vegetable Program								(1,503.82)
Child Nutrition Cluster:								
Cash Assistance:								
National School Lunch Program	10.555		201NJ304N1099	Unavailable	487,861.50	07/01/19	06/30/20	(5,008.50)
National School Lunch Program - Seamless Summer Option	10.559	COVID-19	211NJ304N1099	Unavailable	353,065.25	07/01/20	06/30/21	
School Breakfast Program	10.553		201NJ304N1099	Unavailable	218,818.60	07/01/19	06/30/20	(3,148.20)
School Breakfast Program - Seamless Summer Option	10.559	COVID-19	211NJ304N1099	Unavailable	198,212.13	07/01/20	06/30/21	
National School Snack Program	10.555		211NJ304N1099	Unavailable	1,753.92	07/01/20	06/30/21	
Summer Food Service Program for Children	10.559		191NJ304N1099	Unavailable	200,000.00	07/01/18	06/30/19	177,857.40
Emergency Operational Costs Reimbursement Program	10.559	COVID-19	202121H170341	Unavailable	111,722.61	07/01/20	06/30/21	
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555		211NJ304N1099	Unavailable	60,860.30	07/01/20	06/30/21	
Total Child Nutrition Cluster								169,700.70
P-EBT Administrative Cost	10.649	COVID-19	202121S900941	Unavailable	3,063.00	07/01/20	06/30/21	-
Total Enterprise Fund and U.S. Department of Agriculture								168,196.88
Total Federal Financial Assistance								\$ (369,949.89)

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

Carryover / (Walkover)	Cash Received	Budgetary Expenditures			Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2021		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 120,436.23	\$ (120,436.23)		\$ (120,436.23)						
-	120,436.23	(120,436.23)	-	(120,436.23)	-	-	-	-	-	-
-	120,436.23	(120,436.23)	-	(120,436.23)	-	-	-	-	-	-
	124,668.00									\$ 25,307.73
	737,786.00	(835,045.51)		(835,045.51)				\$ (97,259.51)		
	43,984.00	(47,937.98)		(47,937.98)				(3,953.98)		7,567.50
-	906,438.00	(882,983.49)	-	(882,983.49)	-	-	-	(101,213.49)	-	32,875.23
	9,179.00	(23,725.00)		(23,725.00)		\$ 23,725.00				
	70,522.00	(70,522.00)		(70,522.00)				-		
-	79,701.00	(94,247.00)	-	(94,247.00)	-	23,725.00	-	-	-	-
	10,635.00									
	49,675.00	(62,880.00)		(62,880.00)				(13,205.00)		
-	60,310.00	(62,880.00)	-	(62,880.00)	-	-	-	(13,205.00)	-	-
	360,644.00	(360,644.00)		(360,644.00)						
	8,472.00	(8,472.00)		(8,472.00)						
-	369,116.00	(369,116.00)	-	(369,116.00)	-	-	-	-	-	-
-	15,050.00	(15,050.00)	-	(15,050.00)	-	-	-	-	-	-
	532,380.00	(575,577.39)		(575,577.39)		307,767.00		(161,970.39)		
		(119,787.70)		(119,787.70)				(119,787.70)		
		(52,098.00)		(52,098.00)				(52,098.00)		
-	532,380.00	(747,463.09)	-	(747,463.09)	-	307,767.00	-	(333,856.09)	-	-
-	1,962,995.00	(2,171,739.58)	-	(2,171,739.58)	-	331,492.00	-	(448,274.58)	-	32,875.23
	133,392.00	(126,390.12)		(126,390.12)						7,001.88
	276,349.00	(276,349.00)		(276,349.00)						
-	409,741.00	(402,739.12)	-	(402,739.12)	-	-	-	-	-	7,001.88
-	2,372,736.00	(2,574,478.70)	-	(2,574,478.70)	-	331,492.00	-	(448,274.58)	-	39,877.11
	1,503.82									
	38,746.09	(43,581.19)		(43,581.19)				(4,835.10)		
-	40,249.91	(43,581.19)	-	(43,581.19)	-	-	-	(4,835.10)	-	-
	5,008.50									
	318,419.31	(353,065.25)		(353,065.25)		9,494.44		(25,151.50)		
	3,148.20									
	111,267.41	(198,212.13)		(198,212.13)		72,894.25		(14,050.47)		
	1,753.92	(1,753.92)		(1,753.92)						
		(111,722.61)		(111,722.61)		(82,388.69)	\$ (95,468.71)	(111,722.61)		
	60,860.30	(60,860.30)		(60,860.30)						
-	500,457.64	(725,614.21)	-	(725,614.21)	-	-	(95,468.71)	(150,924.58)	-	-
-	-	(3,063.00)	-	(3,063.00)	-	-	-	(3,063.00)	-	-
-	540,707.55	(772,258.40)	-	(772,258.40)	-	-	(95,468.71)	(158,822.68)	-	-
\$ -	\$ 3,033,879.78	\$ (3,467,173.33)	\$ -	\$ (3,467,173.33)	\$ -	\$ 331,492.00	\$ (95,468.71)	\$ (607,097.26)	\$ -	\$ 39,877.11

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2020		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public							
Equalization Aid	20-495-034-5120-078	\$ 13,376,688.00	07/01/19	06/30/20	\$ (1,262,069.00)		
Equalization Aid	21-495-034-5120-078	13,619,256.00	07/01/20	06/30/21			
School Choice Aid	20-495-034-5120-068	22,496.00	07/01/19	06/30/20	(2,122.00)		
School Choice Aid	21-495-034-5120-068	24,828.00	07/01/20	06/30/21			
Special Education Categorical Aid	20-495-034-5120-089	723,650.00	07/01/19	06/30/20	(68,275.00)		
Special Education Categorical Aid	21-495-034-5120-089	723,650.00	07/01/20	06/30/21			
Security Aid	20-495-034-5120-084	425,317.00	07/01/19	06/30/20	(40,128.00)		
Security Aid	21-495-034-5120-084	425,317.00	07/01/20	06/30/21			
Adjustment Aid	20-495-034-5120-085	2,162,927.00	07/01/19	06/30/20	(204,069.00)		
Adjustment Aid	21-495-034-5120-085	2,162,927.00	07/01/20	06/30/21			
Total State Aid - Public					(1,576,663.00)	-	-
Transportation Aid							
Transportation Aid	20-495-034-5120-014	281,682.00	07/01/19	06/30/20	(26,576.00)		
Transportation Aid	21-495-034-5120-014	281,682.00	07/01/20	06/30/21			
Total Transportation Aid					(26,576.00)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	20-495-034-5120-044	78,815.00	07/01/19	06/30/20	(78,815.00)		
Extraordinary Special Education Aid	21-495-034-5120-044	342,443.00	07/01/20	06/30/21			
Total - Extraordinary Special Education Aid					(78,815.00)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	732,112.30	07/01/19	06/30/20	(4,018.68)		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	711,963.84	07/01/20	06/30/21			
Total Reimbursed TPAF Social Security Contributions					(4,018.68)	-	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement							
Medical (non-budgeted)	21-495-034-5094-002	847,142.00	07/01/20	06/30/21			
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	21-495-034-5094-004	2,652,731.00	07/01/20	06/30/21			
On-Behalf T.P.A.F. Non-contributory Insurance	21-495-034-5094-004	50,472.00	07/01/20	06/30/21			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	21-495-034-5094-001	1,226.00	07/01/20	06/30/21			
Total On-Behalf TPAF Pension Contributions (non-budgeted)							
Total General Fund					(1,686,072.68)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	20-495-034-5120-086	2,268,609.00	07/01/19	06/30/20	(175,072.23)		\$ (135,419.19)
Preschool Education Aid	21-495-034-5120-086	2,346,300.00	07/01/20	06/30/21			135,419.19
Total - Preschool Education Aid					(175,072.23)	-	-
Pre-K Wrap Around Program							
Pre-K Wrap Around Program	Unknown	19,740.00	07/01/19	06/30/20	331.95		
Pre-K Wrap Around Program	Unknown	18,180.00	07/01/20	06/30/21			
Total - Pre-K Wrap Around Program					331.95	-	-
School Based Youth Services							
School Based Youth Services	11XWSP	263,976.00	07/01/19	06/30/20	20,172.88		
School Based Youth Services	11XWSP	263,976.00	07/01/20	06/30/21			
Total - School Based Youth Services					20,172.88	-	-
Family Friendly Centers							
Family Friendly Centers	11XWSP	45,463.00	07/01/19	06/30/20	24,630.41		
Family Friendly Centers	11XWSP	45,463.00	07/01/20	06/30/21			
Total - Family Friendly Centers					24,630.41	-	-
Total Special Revenue Fund					(129,936.99)	-	-
Debt Service Fund:							
New Jersey Department of Education:							
Debt Service Aid	21-495-034-5120-075	188,142.00	07/01/20	06/30/21	-	-	-

Cash Received	Budgetary Expenditures	Passed-Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2021			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 1,262,069.00									\$ (13,376,688.00)
12,312,207.00	\$ (13,619,256.00)				\$ (1,307,049.00)			\$ (1,307,049.00)	(13,619,256.00)
2,122.00									(22,496.00)
22,445.00	(24,828.00)				(2,383.00)			(2,383.00)	(24,828.00)
68,275.00									(723,650.00)
654,201.00	(723,650.00)				(69,449.00)			(69,449.00)	(723,650.00)
40,128.00									(425,317.00)
384,499.00	(425,317.00)				(40,818.00)			(40,818.00)	(425,317.00)
204,069.00									(2,162,927.00)
1,955,349.00	(2,162,927.00)				(207,578.00)			(207,578.00)	(2,162,927.00)
16,905,364.00	(16,955,978.00)	-	-	-	(1,627,277.00)	-	-	(1,627,277.00)	(33,667,056.00)
26,576.00									(281,682.00)
254,649.00	(281,682.00)				(27,033.00)			(27,033.00)	(281,682.00)
281,225.00	(281,682.00)	-	-	-	(27,033.00)	-	-	(27,033.00)	(563,364.00)
86,710.00	(7,895.00)								(78,815.00)
	(342,443.00)				(342,443.00)				(342,443.00)
86,710.00	(350,338.00)	-	-	-	(342,443.00)	-	-	-	(421,258.00)
4,018.68									(732,112.30)
708,062.19	(711,963.84)				(3,901.65)				(711,963.84)
712,080.87	(711,963.84)	-	-	-	(3,901.65)	-	-	-	(1,444,076.14)
847,142.00	(847,142.00)								(847,142.00)
2,652,731.00	(2,652,731.00)								(2,652,731.00)
50,472.00	(50,472.00)								(50,472.00)
1,226.00	(1,226.00)								(1,226.00)
3,551,571.00	(3,551,571.00)								(3,551,571.00)
21,536,950.87	(21,851,532.84)	-	-	-	(2,000,654.65)	-	-	(1,654,310.00)	(39,647,325.14)
226,860.90			\$ 83,630.52						(2,268,609.00)
2,111,670.00	(2,240,738.93)				(234,630.00)	\$ 240,980.26		(234,630.00)	(2,346,300.00)
2,338,530.90	(2,240,738.93)	-	83,630.52	-	(234,630.00)	240,980.26		(234,630.00)	(4,614,909.00)
18,180.00	(16,143.95)						\$ 331.95		(19,408.05)
							2,036.05		(16,143.95)
18,180.00	(16,143.95)	-	-	-	-	-	2,368.00	-	(35,552.00)
263,976.00	(248,305.56)						20,172.88		(243,803.12)
							15,670.44		(248,305.56)
263,976.00	(248,305.56)	-	-	-	-	-	35,843.32	-	(492,108.68)
45,463.00	(31,500.50)						24,630.41		(45,463.00)
							13,962.50		(31,500.50)
45,463.00	(31,500.50)	-	-	-	-	-	38,592.91	-	(76,963.50)
2,666,149.90	(2,536,688.94)	-	83,630.52	-	(234,630.00)	240,980.26	76,804.23	(234,630.00)	(5,219,533.18)
188,142.00	(188,142.00)	-	-	-	-	-	-	-	(188,142.00)

(Continued)

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2020		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
Enterprise Fund:							
New Jersey Department of Agriculture: State School Lunch Program	20-100-010-3350-023	\$ 7,341.43	07/01/19	06/30/20	\$ (44.06)		
Total Enterprise Fund					(44.06)	-	-
Total State Financial Assistance					\$ (1,816,053.73)	\$ -	\$ -

Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:

General Fund (Non-Cash Assistance):

New Jersey Department of the Treasury:

On-behalf Contributions:

On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	2,652,731.00	07/01/20	06/30/21
On-behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance	495-034-5094-004	1,226.00	07/01/20	06/30/21
On-behalf T.P.A.F. Pension Contributions - Non-Contributory Insurance	495-034-5094-004	50,472.00	07/01/20	06/30/21
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	847,142.00	07/01/20	06/30/21

Total General Fund (Non-Cash Assistance)

Total State Financial Assistance subject to Major Program Determination for State Single Audit

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

Cash Received	Budgetary Expenditures	Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2021			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 44.06									\$ (7,341.43)
44.06	-	-	-	-	-	-	-	-	(7,341.43)
<u>\$ 24,391,286.83</u>	<u>\$ (24,576,363.78)</u>	<u>\$ -</u>	<u>\$ 83,630.52</u>	<u>\$ -</u>	<u>\$ (2,235,284.65)</u>	<u>\$ 240,980.26</u>	<u>\$ 76,804.23</u>	<u>\$ (1,888,940.00)</u>	<u>\$ (45,062,341.75)</u>

\$ 2,652,731.00  
 1,226.00  
 50,472.00  
847,142.00  
  
3,551,571.00  
  
\$ (21,024,792.78)

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

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Note 3: INDIRECT COST RATE**

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$51,071.00) for the general fund and \$403,846.94 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 120,436.23	\$ 21,800,461.84	\$ 21,920,898.07
Special Revenue	2,919,062.29	2,580,057.29	5,499,119.58
Debt Service		188,142.00	188,142.00
Food Service	867,727.11		867,727.11
	<u>3,907,225.63</u>	<u>24,568,661.13</u>	<u>28,475,886.76</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		58,840.10	58,840.10
Encumbrances	(344,583.59)	(51,137.45)	(395,721.04)
Prior Year Payable Cancellation (Revenue Recognized)	(95,468.71)		(95,468.71)
	<u>(440,052.30)</u>	<u>7,702.65</u>	<u>(432,349.65)</u>
Total Awards and Financial Assistance Expended	<u>\$ 3,467,173.33</u>	<u>\$ 24,576,363.78</u>	<u>\$ 28,043,537.11</u>

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2019-20, rounding adjustments, and cancellation of amounts due to grantor.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

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

**Note 8: MAJOR PROGRAMS**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

    Material weakness(es) identified?  X  yes      no

    Significant deficiency(ies) identified?      yes  X  none reported

Noncompliance material to financial statements noted?  X  yes      no

**Federal Awards**

Internal control over major programs:

    Material weakness(es) identified?  X  yes      no

    Significant deficiency(ies) identified?      yes  X  none reported

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

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

Identification of major programs:

<b><u>Assistance Listing Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
		Special Education Cluster:
84.027	H027A200100	I.D.E.A. Part B - Basic
84.173	H173A200114	I.D.E.A. Part B - Preschool
		Education Stabilization Fund (ESF):
84.425D	S425D200027	ESSER I - CARES Act
84.425D	S425D210027	ESSER II - CARES Act
84.425D	S425D210027	Learning Acceleration
		Coronavirus Relief Fund (CRF):
21.019		School Re-Opening and Remote Learning
21.019		Digital Divide

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

Auditee qualified as low-risk auditee?      yes  X  no



**CITY OF SALEM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 2- Schedule of Financial Statement Findings***

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

**Finding No. 2021-001**

**Criteria or Specific Requirement**

The maintenance of a complete and accurate set of financial records, including the general ledger, are required by the State Department of Education. These records summarize all account balances of the School District and should be available for financial analysis and financial reporting requirements.

**Condition**

The School District did not have a fully functioning financial reporting system to allow for use in financial analysis and financial reporting for the fiscal year ended June 30, 2021.

**Context**

During our auditing procedures, it was noted the School District's general ledger required numerous adjusting journal entries to accurately reflect the 2020-21 activity and year-end balances.

**Effect or Potential Effect**

Complete and accurate accounting records are essential to the School District. By not properly maintaining all of these records throughout the fiscal year, proper accounting of the School District's finances was not achieved.

**Cause**

Various breakdowns in the internal controls of the finance office.

**Recommendation**

The School District continue to strengthen existing internal controls and implement additional internal controls to help oversee the completion of complete and accurate financial records for use in financial analysis and financial reporting.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 2- Schedule of Financial Statement Findings (cont'd)***

**Finding No. 2021-002**

**Criteria or Specific Requirement**

A Food Service Fund's Net Cash Resources should not exceed its three months average expenditures.

**Condition**

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$164,061.78.

**Context**

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2021 were \$389,703.80 and its three month average expenditures were \$225,642.02, resulting in an overage of \$164,061.78.

**Effect or Potential Effect**

Noncompliance with the requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

**Cause**

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Fund's three months average expenditures.

**Recommendation**

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

**Section 3- Schedule of Federal Award Findings and Questioned Costs**

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

**Finding No. 2021-003**

**Information on the Federal Program**

Special Education Cluster:

I.D.E.A. Part B – Basic

Assistance Listing No. 84.027

I.D.E.A. Part B – Preschool

Assistance Listing No. 84.173

Education Stabilization Fund (ESF):

ESSER I – CARES Act

Assistance Listing No. 84.425D

ESSER II – CARES Act

Assistance Listing No. 84.425D

ESSER I – Learning Acceleration

Assistance Listing No. 84.425D

Coronavirus Relief Fund (CRF):

School Re-Opening and Remote Learning

Assistance Listing No. 21.019

Digital Divide

Assistance Listing No. 21.019

**Criteria or Specific Requirement**

Uniform Guidance compliance requirements for (A) Activities Allowed or Unallowed and (L) Reporting dictate the determination whether federal awards were expended only for allowable activities (A) and determine whether required reports for federal awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements (L).

**Condition**

The reimbursement requests, final reports, specific charges and approved budget amendments / appropriations were not always supported by or in agreement with School District workpapers.

**Questioned Costs**

Could not be determined.

**Context**

During the single audits performed over the above referenced Federal Programs, the selected reimbursement requests, final reports, specific allowable charges and approved budget amendments / appropriations could not be properly reconciled and supported by School District records.

**Effect or Potential Effect**

Non-compliance with Uniform Guidance compliance requirements (A) Activities Allowed or Unallowed and (L) Reporting.

**Cause**

Due to transitions in the finance office and the public health emergency, certain procedures were not performed.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

The School District should maintain records that agree to submitted reimbursement requests, final reports, approved or amended budget appropriations, and identify specific charges.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

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***Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)***

**Finding No. 2021-004**

**Information on the Federal Program**

Education Stabilization Fund (ESF):

Elementary & Secondary School Emergency Relief Fund (ESSER)	Assistance Listing No. 84.425D
Elementary & Secondary School Emergency Relief Fund (ESSER)	Assistance Listing No. 84.425D
Elementary & Secondary School Emergency Relief Fund (ESSER)	Assistance Listing No. 84.425D

**Criteria or Specific Requirement**

Per 2 CFR § 200.320 under Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards dictates when the value of procurement for property or services exceed the simplified acquisition threshold or a lower threshold established by a non-Federal entity (State of New Jersey), formal procurement methods are required.

**Condition**

The School District did not provide evidence that it was in compliance with formal procurement methods.

**Questioned Costs**

None.

**Context**

Two (2) purchases made by the School District in excess of the procurement threshold established by a non-Federal entity (State of New Jersey) did not have supporting documentation available to verify compliance with formal procurement methods.

**Effect or Potential Effect**

The School District was not in compliance with 2 CFR § 200.320 under Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**Cause**

Unknown.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District retain evidence that it complied with formal procurement methods as noted in 2 CFR § 200.320 under Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

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

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

**Finding No. 2021-005**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
School Choice Aid	G.M.I.S. No. 495-034-5120-068
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

**Criteria or Specific Requirement**

New Jersey State statute requires approval of certain transfers and expenditures. N.J.S.A. 18A:22-8.1 requires Commissioner approval for line-item transfers from any general fund appropriation account that on a cumulative basis exceed 10% of the amount of the account included in the budget certified for taxes. N.J.A.C. 6A:23A-5.9 requires that for all employee and district board of education member travel events out of the country, regardless of cost or number of attendees, the school district shall obtain prior written approval of the Executive County Superintendent.

**Condition**

The School District could not provide evidence of accurate budget transfer reports, therefore could not substantiate any required approvals for transfers that exceeded 10% on a cumulative basis. The School District had employees travel internationally as part of the district's International Baccalaureate Program but did not obtain approvals from the Executive County Superintendent.

**Questioned Costs**

None.

**Context**

The School District was unable to produce accurate monthly transfer reports or required approvals for travel outside of the country by employees.

**Effect or Potential Effect**

The School District was not in compliance with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-5.9 requirements.

**Cause**

Unknown.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District comply with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-5.9 by compiling monthly transfer reports and review for any required approvals and approvals for employees to travel internationally.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

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**Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)**

**Finding No. 2021-006**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
School Choice Aid	G.M.I.S. No. 495-034-5120-068
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

**Criteria or Specific Requirement**

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law) provides guidance to School Districts regarding purchasing, bids, quotations, and state contracts.

**Condition**

The School District did not provide evidence that it was in compliance with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et seq.).

**Questioned Costs**

None.

**Context**

Bid packages, for purchases made during fiscal year 2021 in excess of the bid threshold, selected for audit could not be provided for examination by the School District.

**Effect or Potential Effect**

The School District may not have complied with Public School Contracts Law (N.J.S.A. 18A:18A-1 et seq.) requirements.

**Cause**

Unknown.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District retain evidence that it complied with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et seq.).

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)***

**Finding No. 2021-007**

**Information on the State Program**

Extraordinary Special Education Aid G.M.I.S. No. 495-034-5120-044

**Criteria or Specific Requirement**

N.J.S.A. 18A:7F-55(c) requests a School District to file an application with the Department of Education for reimbursement of current year's expenses incurred for which the School District is seeking reimbursement. The types of costs allowable and the calculations of the Extraordinary Special Education Aid award depend on the student's educational placement and copies of supporting documentation should be maintained at the School District.

**Condition**

The School District could not provide supporting documentation to perform an Extraordinary Special Education Aid single audit.

**Questioned Costs**

None.

**Context**

The requested application / supporting documentation for Extraordinary Special Education Aid could not be provided.

**Effect or Potential Effect**

The School District may not have complied with all compliance requirements applicable for Extraordinary Special Education Aid.

**Cause**

Unknown.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

The School District should maintain copies of all Extraordinary Special Education Aid supporting documentation and be available for single audit.

**View of Responsible Officials and Planned Corrective Action**

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

**CITY OF SALEM SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS****Finding No. 2020-001****Condition**

The School District ended the year with a cumulative deficit of \$290,389.05, which was a reduction of \$330,725.90 from the prior fiscal year, in the General Fund.

**Current Status**

This condition has been resolved.

**Finding No. 2020-002****Condition**

The School District did not have a fully functioning financial reporting system to allow for use in financial analysis and financial reporting for the fiscal year ended June 30, 2020.

**Current Status**

This finding still exists. See Finding 2021-001.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**Finding No. 2020-003****Condition**

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$23,387.84.

**Current Status**

This finding still exists. See Finding 2021-002.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**Finding No. 2020-004****Condition**

The School District did not remit payment to the State of New Jersey Treasurer within the required time period.

**Current Status**

This condition has been resolved.

**CITY OF SALEM SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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**FINANCIAL STATEMENT FINDINGS (CONT'D)**

**Finding No. 2020-005**

**Condition**

The School District suffered a ransomware attack with inconsistencies in the School District's backup files.

**Current Status**

This condition has been resolved.

**Finding No. 2020-006**

**Condition**

The School District was unable to provide bank reconciliations, receipt support, and disbursement support for the middle school student activities fund.

**Current Status**

This condition has been resolved.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

**Finding No. 2020-007**

**Program**

State Aid Public:	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
School Choice Aid	G.M.I.S. No. 495-034-5120-068
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

**Condition**

The School District incurred an overexpenditure of \$83,451.58 in Fund 15 for the elementary school.

**Current Status**

This condition has been resolved.

**CITY OF SALEM SCHOOL DISTRICT**  
 Summary Schedule of Prior Year Audit Findings  
 and Questioned Costs as Prepared by Management

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**STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)**

**Finding No. 2020-008**

**Program**

State Aid Public:	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
School Choice Aid	G.M.I.S. No. 495-034-5120-068
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

**Condition**

The School District could not provide evidence of accurate budget transfer reports, therefore could not substantiate any required approvals for transfers that exceeded 10% on a cumulative basis. The School District made transfers to accounts identified as capital outlay not previously approved and without Executive County Superintendent approval. The School District had employees travel internationally as part of the district's International Baccalaureate Program, but did not obtain approvals from the Executive County Superintendent.

**Current Status**

This finding still exists. See Finding 2021-005.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**Finding No. 2020-009**

**Program**

State Aid Public:	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
School Choice Aid	G.M.I.S. No. 495-034-5120-068
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085

**Condition**

The School District did not provide evidence that it was in compliance with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et seq.).

**Current Status**

This finding still exists. See Finding 2021-006.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.