

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
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INTRODUCTORY SECTION



Galloway Township Public Schools

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

Stephen P. Santilli
Superintendent of Schools

Joy N. Nixon, CPA
School Business Administrator

March 14, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Galloway Township Public School District for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Galloway Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with an enrollment of 3,257 students (including 38 students attending Charter Schools and 15 attending choice districts). The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment Per Year Data

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2021-22	3,257	-2.19%
2020-21	3,330	-0.39%
2019-20	3,343	0.91%
2018-19	3,313	-0.45%
2017-18	3,328	0.30%
2016-17	3,318	0.58%
2015-16	3,299	0.52%
2014-15	3,282	-4.87%
2013-14	3,450	-1.68%
2012-13	3,509	-1.60%

2) ECONOMIC CONDITION AND OUTLOOK:

In the 2021-2022 school year, the Galloway Township area continued to experience effects related to the COVID-19 pandemic. General businesses and economic growth to the area have slowed over the past decade, especially in the gaming industry related to nearby Atlantic City. The majority of the last ten years, enrollment has leveled with only slight increases/decreases. While this health and related economic downturn is expected to stabilize in the near future, Galloway Township does not expect to experience significant growth issues in the near future.

3) MAJOR INITIATIVES:

During the 2021-2022 school year, our district and schools continued efforts to provide a quality education in a safe, positive learning environment. As a district, we transitioned back to full time, in-person instruction. Our initiatives focused on supporting the whole child and providing social emotional as well as academic supports to meet student needs.

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

- Purchased supplemental and/or replacement materials for all content areas and programs.
- Purchased additional technology including Chromebook carts
- Purchased Boxlight Interactive Flat Panels screens for each classroom

3) MAJOR INITIATIVES (CONT'D):

- Added a Teaching and Learning Facilitator in technology focused on supporting teachers, parents, online assessments. Our technology teachers transitioned back to working with students full time as STEM teachers.
- Added an additional intervention teacher at each elementary school to provide additional academic supports for learning loss.
- Provided ongoing staff development, student and staff mental health, content-based, pedagogical, DOE mandated, cultural proficiency, executive functioning, restorative practices, technology, and other areas as deemed necessary including those areas indicated in our School and District Professional Development Plans.
- Offered a Title I funded a Summer Academy Program with in-person and virtual options and IDEA funded in-person Extended School Year and Summer Extension Program. Additionally, we utilized ESSER funding to provide summer counseling services to identified students.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

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

10) ACKNOWLEDGMENTS:

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

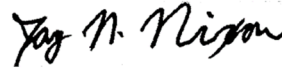
Respectfully submitted,

Stephen P. Santilli



Superintendent of Schools

Joy N. Nixon



School Business Administrator/
Board Secretary

Organizational Chart



***GALLOWAY TOWNSHIP PUBLIC SCHOOLS
MEMBERS OF THE BOARD OF EDUCATION AND
ADMINISTRATIVE STAFF
AS OF JUNE 30, 2022***

SCHOOL BOARD MEMBERS

TERM EXPIRES

Suzette Carmen, President	2022
Richard Dase, Vice-President	2024
Madeline Avery	2024
Alexa Beshara – Blauth, D.M.	2024
Ebenezer O-A Bilewu, DC	2023
Belinda Chester	2022
Susan Coll-Guedes	2023
James Gentile	2022
Sherri Parmenter, Ed. D.	2023

ADMINISTRATIVE STAFF

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

PRINCIPALS
ELEMENTARY SCHOOLS

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

MIDDLE SCHOOL

Galloway Township Middle School	Paula Junker
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**GALLOWAY TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Audit Firm

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

Attorney

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

Architect

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

Official Depository

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the School District has determined that certain disclosures of leases, formerly classified as operating, now meet the criteria of this Statement. As a result, a capital asset and long-term liability are recorded for the underlying lease (notes 6 and 7). In addition, certain disclosures of long-term liabilities relating to capital leases in the prior fiscal year are now disclosed as financed purchases (note 7). Our opinion is not modified with respect to these matters.

Prior Period Restatement

Because of the implementation of GASB Statement No. 87, net position of governmental activities as of July 1, 2021 on the statement of activities has been restated, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Galloway School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023 on our consideration of the Township of Galloway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Galloway School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Galloway School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

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

Voorhees, New Jersey
March 14, 2023

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2022, 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, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the consistency of the financial statements and the restatement of the prior period financial statements resulting from the new accounting principle.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Galloway School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 is 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 number 2022-001.

The Township of Galloway School District's Response to the Finding

The Township of Galloway School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
March 14, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

The management's discussion and analysis of Galloway Township School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2022 and 2021. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2022:

- The assets and deferred outflows of resources of the Galloway Township School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,009,243 (net position).
- The School District's total net position increased by \$4,109,456. This increase is primarily attributable to the Galloway Township School District's increase in GASB 68 & 75 reported revenue.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$15,286,045, an increase of \$637,774 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$566,908, which is a decrease of \$142,448 in comparison with the prior fiscal year.
- The Galloway Township School District's bonded debt decreased by \$169,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has two kinds of funds:

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

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2022 and 2021.

TABLE 1				
Net Position				
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 19,433,083	\$ 18,155,338	\$ 1,277,744	7.04%
Capital Assets, net	<u>28,465,355</u>	<u>28,132,312</u>	<u>333,043</u>	<u>1.18%</u>
Total Assets	<u>47,898,438</u>	<u>46,287,650</u>	<u>1,610,788</u>	<u>3.48%</u>
Deferred Outflows of Resources:				
Related to Pensions	<u>2,478,901</u>	<u>4,046,668</u>	<u>(1,567,767)</u>	<u>-38.74%</u>
Liabilities:				
Long-Term Liabilities	15,374,843	19,757,699	(4,382,856)	-22.18%
Other Liabilities	<u>3,240,083</u>	<u>3,526,590</u>	<u>(286,506)</u>	<u>-8.12%</u>
Total Liabilities	<u>18,614,927</u>	<u>23,284,289</u>	<u>(4,669,362)</u>	<u>-20.05%</u>
Deferred Inflows of Resources - Related to Pensions	<u>7,753,169</u>	<u>7,158,553</u>	<u>594,616</u>	<u>8.31%</u>
Net Position:				
Net Investment in Capital Assets	27,621,092	27,470,279	150,813	0.55%
Restricted	12,986,155	12,827,559	158,596	1.24%
Unrestricted (Deficit)	<u>(16,598,004)</u>	<u>(20,406,362)</u>	<u>3,808,358</u>	<u>-18.66%</u>
Total Net Position	<u>\$ 24,009,243</u>	<u>\$ 19,891,476</u>	<u>\$ 4,117,767</u>	<u>20.70%</u>

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

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 2,478,901	\$ 4,046,668	\$ (1,567,767)	-38.74%
Less: Net Pension Liability	(12,352,750)	(16,908,661)	4,555,911	26.94%
Less: Deferred Inflows Related to Pensions	<u>(7,753,169)</u>	<u>(7,158,553)</u>	<u>(594,616)</u>	<u>-8.31%</u>
	<u>\$ (17,627,018)</u>	<u>\$ (20,020,546)</u>	<u>\$ 2,393,528</u>	<u>11.96%</u>

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2022 and 2021.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,505,840	\$ 1,303,853	\$ 201,987	15.49%
Operating Grants and Contributions	25,903,811	31,053,742	(5,149,931)	-16.58%
General Revenues:				
Property Taxes	33,990,218	33,995,112	(4,894)	-0.01%
Federal and State Aid	29,122,582	27,237,195	1,885,387	6.92%
Other	499,602	1,221,996	(722,394)	-59.12%
Total Revenues	<u>91,022,054</u>	<u>94,811,899</u>	<u>(3,789,845)</u>	<u>-4.00%</u>
Expenses:				
Instruction:				
Regular	17,515,407	17,271,860	243,548	1.41%
Special Education	12,031,048	12,712,142	(681,094)	-5.36%
Other Special Instruction	2,476,112	2,070,622	405,490	19.58%
Other Instruction	88,241	26,614	61,627	231.56%
Tuition	1,502,504	1,417,219	85,285	6.02%
Student Services:				
Student and Instruction Related	8,552,009	8,457,413	94,596	1.12%
School Administrative Services	1,966,337	1,935,308	31,029	1.60%
Other Administrative Services	2,070,448	1,796,310	274,138	15.26%
Plant Operations and Maintenance	5,546,352	6,113,360	(567,008)	-9.27%
Pupil Transportation	4,915,599	4,317,635	597,964	13.85%
Unallocated Benefits	24,376,795	33,242,279	(8,865,484)	-26.67%
Reimbursed TPAF Pension and Social Security	2,053,569	2,019,095	34,474	1.71%
Transfer to Charter Schools	736,809	656,112	80,697	12.30%
Interest on Long-Term Debt	17,858	25,885	(8,027)	-31.01%
Unallocated Depreciation and Amortization	4,043	4,043		
Food Service	2,411,147	1,975,326	435,821	22.06%
Childcare Program	616,507	383,870	232,637	60.60%
Gifted and Talented Consortium	13,068	495	12,573	2541.01%
Community Education	18,746	4,772	13,974	292.81%
Total Expenses	<u>86,912,598</u>	<u>94,430,359</u>	<u>(7,517,761)</u>	<u>-7.96%</u>
Increase (Decrease) in Net Position	4,109,456	381,541	3,727,915	977.07%
Beginning Net Position, As Previously Reported	19,891,476	19,334,937	556,539	2.88%
Prior Period Adjustment	8,311		8,311	100.00%
Beginning Net Position, As Restated	<u>19,899,787</u>	<u>19,509,935</u>	<u>564,850</u>	<u>2.90%</u>
Ending Net Position	<u>\$ 24,009,243</u>	<u>\$ 19,891,476</u>	<u>\$ 4,292,765</u>	<u>21.58%</u>

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

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

Governmental Activities

In 2021-2022, Governmental Activities Revenues were \$86,960,486 or 95.54% of total revenues.

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

The \$5,384,756 decrease in Governmental Activities Revenues from FY 2020-2021 to FY 2021-2022 was mainly related to the revenues associated with GASB 75.

In 2021-2022, General Revenues - Property Taxes of \$33,990,218 made up 37.34%, and General Revenues – Federal and State Aid of \$29,122,582 made up 32.00% of total revenues.

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

In 2021-2022, the School District's Governmental Activities expenditures decreased by \$7,517,761 or 7.96%. This decrease was mainly the result of Unallocated Benefits increasing due GASB 68 & 75 reported expenses.

Business-Type Activities

In 2021-2022 Business-Type Activities Revenues were \$4,061,568 or 4.46% of total revenues. In 2020-2021 Business-Type Activities Revenues were \$2,466,657 or 2.60% of total revenues.

Charges for Services for Business-Type Activities were \$885,268 in 2021-2022 compared to \$292,761 in 2020-2021, a 202.39% increase.

Expenses for Business-Type Activities were \$3,059,468 in 2021-2022 compared to \$2,364,463 in 2020-2021, a 29.39% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$61,762,650.

The General Fund Tax Levy was \$33,872,502 for 2021-2022 and 2020-2021.

During fiscal year 2022, the School District budgeted \$33,872,502 for property taxes (local tax levy), \$27,028,789 for state revenues and \$160,859 for federal revenues.

The School District also received \$2,050,556 and \$12,735,254 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions, respectively. The Galloway Township School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions of \$2,050,556 and \$12,735,254, respectively.

The final budgetary basis expenditure appropriation estimate was \$66,126,241, which was \$721,774 more than the original budget.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

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

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$15,286,045, an increase of \$637,774 in comparison with the prior year.

Of the combined ending fund balances of \$15,286,045, \$304,637 constitutes unassigned fund balance. The remainder of fund balance of \$14,981,408 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$2,076,701 in unrestricted net position.

CAPITAL ASSETS

The Galloway Township School District's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$28,465,355 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment. There was a net increase in the Galloway Township School District's investment in capital assets for the current fiscal year of 1.18%. The net increase was the result of construction in progress additions. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation and Amortization):	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Land	\$ 3,456,704	\$ 3,471,769
Construction in Progress	166,151	2,155,973
Land Improvements	3,478,835	193,798
Building and Improvements	20,019,010	21,617,877
Furniture, Fixtures and Equipment	<u>1,344,655</u>	<u>692,895</u>
 Total Capital Assets	 <u>\$ 28,465,355</u>	 <u>\$ 28,132,312</u>

Depreciation and amortization expense was \$2,450,585 for fiscal year ended 2022 and \$2,286,132 for fiscal year ended 2021.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Galloway Township School District had total bonded debt outstanding of \$338,000. The entire Galloway Township School District's bonded debt is governmental as opposed to business-type. The 2023 adopted budget has an appropriation of \$169,000 representing the payment of the annual principal. The 2009 refunding bonds will mature on March 1, 2024.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2021-2022 school year, the Galloway Township School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 37.34% of total revenue is from local tax levy and 32.00% percent of the Galloway Township School District's revenue is from general revenue - federal and state aid (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 10,871,891.02	\$ 2,292,259.06	\$ 13,164,150.08
Receivables, net	4,968,756.37	248,520.58	5,217,276.95
Restricted Cash and Cash Equivalents	1,023,524.29		1,023,524.29
Inventory (Note 5)		28,131.55	28,131.55
Capital Assets, net (Note 6)	<u>28,329,321.19</u>	<u>136,033.59</u>	<u>28,465,354.78</u>
Total Assets	<u>45,193,492.87</u>	<u>2,704,944.78</u>	<u>47,898,437.65</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>2,478,901.00</u>	<u>-</u>	<u>2,478,901.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	1,324,572.00		1,324,572.00
Other	1,222,700.23	1,012.55	1,223,712.78
Internal Balances	(317,761.21)	317,761.21	
Payable to Other Governments	38,375.00		38,375.00
Accrued Interest	6,828.09		6,828.09
Unearned Revenue	634,813.09	11,782.36	646,595.45
Noncurrent Liabilities (Note 7):			
Due within One Year	769,186.58	32,330.86	801,517.44
Due beyond One Year	<u>14,444,002.57</u>	<u>129,323.45</u>	<u>14,573,326.02</u>
Total Liabilities	<u>18,122,716.35</u>	<u>492,210.43</u>	<u>18,614,926.78</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>7,753,169.00</u>	<u>-</u>	<u>7,753,169.00</u>
NET POSITION:			
Net Investment in Capital Assets	27,485,058.84	136,033.59	27,621,092.43
Restricted for:			
Unemployment Compensation	180,896.54		180,896.54
Student Activities	104,628.90		104,628.90
Capital Projects	5,403,255.93		5,403,255.93
Other Purposes	7,297,373.30		7,297,373.30
Unrestricted (Deficit)	<u>(18,674,704.99)</u>	<u>2,076,700.76</u>	<u>(16,598,004.23)</u>
Total Net Position	<u>\$ 21,796,508.52</u>	<u>\$ 2,212,734.35</u>	<u>\$ 24,009,242.87</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 17,515,407.49	\$ 367,880.71			\$ (17,147,526.78)		\$ (17,147,526.78)
Special Education	12,031,048.16	252,691.27	\$ 3,485,298.22		(8,293,058.67)		(8,293,058.67)
Other Special Instruction	2,476,111.99				(2,476,111.99)		(2,476,111.99)
Other Instruction	88,241.13				(88,241.13)		(88,241.13)
Tuition	1,502,504.25		550,046.29		(952,457.96)		(952,457.96)
Support Services:							
Student and Instruction Related Services	8,552,008.59		2,404,458.80		(6,147,549.79)		(6,147,549.79)
School Administrative Services	1,966,336.92				(1,966,336.92)		(1,966,336.92)
Other Administrative Services	2,070,447.86				(2,070,447.86)		(2,070,447.86)
Plant Operations and Maintenance	5,546,351.96		21,855.00		(5,524,496.96)		(5,524,496.96)
Pupil Transportation	4,915,598.75		305,315.55		(4,610,283.20)		(4,610,283.20)
Unallocated Benefits	24,376,795.01		13,900,106.97		(10,476,688.04)		(10,476,688.04)
Reimbursed TPAF and Social Security	2,053,568.53		2,053,568.53				
Transfer to Charter School	736,809.00				(736,809.00)		(736,809.00)
Interest on Long-Term Debt	17,857.54		9,400.26		(8,457.28)		(8,457.28)
Unallocated Depreciation and Amortization	4,042.64				(4,042.64)		(4,042.64)
Total Governmental Activities	83,853,129.82	620,571.98	22,730,049.62	-	(60,502,508.22)	-	(60,502,508.22)
Business-Type Activities:							
Food Service	2,411,147.32	154,495.74	3,173,761.61			\$ 917,110.03	917,110.03
Childcare Program	616,506.94	699,051.08				82,544.14	82,544.14
Gifted and Talented Consortium	13,067.73	12,321.12				(746.61)	(746.61)
Community Education	18,746.05	19,400.00				653.95	653.95
Total Business-Type Activities	3,059,468.04	885,267.94	3,173,761.61	-	-	999,561.51	999,561.51
Total Government	\$ 86,912,597.86	\$ 1,505,839.92	\$ 25,903,811.23	-	(60,502,508.22)	999,561.51	(59,502,946.71)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					33,872,502.00		33,872,502.00
Taxes Levied for Debt Service					117,716.00		117,716.00
Federal and State Aid not Restricted					28,267,851.96		28,267,851.96
Federal and State Aid Restricted					854,730.44		854,730.44
Miscellaneous Income					497,063.71	2,538.39	499,602.10
Total General Revenues					63,609,864.11	2,538.39	63,612,402.50
Change in Net Position					3,107,355.89	1,002,099.90	4,109,455.79
Net Position -- July 1					18,680,841.75	1,210,634.45	19,891,476.20
Prior Period Adjustment					8,310.88		8,310.88
Net Position -- July 1 (Restated)					18,689,152.63	1,210,634.45	19,899,787.08
Net Position -- June 30					\$ 21,796,508.52	\$ 2,212,734.35	\$ 24,009,242.87

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS & DEFERRED OUTFLOWS:					
Assets:					
Cash and Cash Equivalents	\$ 10,871,891.02	\$ 104,628.90	\$ 918,894.22	\$ 1.17	\$ 11,895,415.31
Interfunds Receivable:					
Food Service Fund	61,878.42				61,878.42
Child Care	250,586.91				250,586.91
Gifted and Talented Consortium	5,295.88				5,295.88
Special Revenue Fund	2,306,007.62				2,306,007.62
Receivables from Other Governments:					
State of NJ -- FICA	101,991.14				101,991.14
State of NJ -- Extraordinary Aid	922,527.00				922,527.00
State of NJ -- Non-Public Transportation	38,594.00				38,594.00
State of NJ -- Homeless Aid	62,993.00				62,993.00
Federal Grants	81,567.06	3,192,087.80			3,273,654.86
Other Receivables	568,996.37				568,996.37
Total Assets	\$ 15,272,328.42	\$ 3,296,716.70	\$ 918,894.22	\$ 1.17	\$ 19,487,940.51
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable					
Other	\$ 230,587.69	\$ 475,163.09			\$ 705,750.78
Unemployment Compensation Claims Payable	110,465.58				110,465.58
Payroll Deductions and Withholdings Payable	406,483.87				406,483.87
Interfunds Payable:					
General Fund		2,306,007.62			2,306,007.62
Payable to State Government		38,375.00			38,375.00
Unearned Revenue		634,813.09			634,813.09
Total Liabilities	747,537.14	3,454,358.80	-	-	4,201,895.94
Fund Balances:					
Restricted:					
Capital Reserve Account	4,484,361.71				4,484,361.71
Maintenance Reserve	2,583,227.82				2,583,227.82
Emergency Reserve	643,381.92				643,381.92
Excess Surplus	1,958,322.18				1,958,322.18
Excess Surplus -- Designated for Subsequent Year's Expenditures	2,112,441.38				2,112,441.38
Unemployment Compensation	180,896.54				180,896.54
Student Activities		104,628.90			104,628.90
Capital Projects - Designated for Subsequent Year's Expenditures			\$ 918,894.22		918,894.22
Debt Service				\$ 0.17	0.17
Debt Service -- Designated for Subsequent Year's Expenditures				1.00	1.00
Assigned:					
Other Purposes	371,101.72				371,101.72
Subsequent Year's Expenditures	1,624,149.62				1,624,149.62
Unassigned (Deficit)	566,908.39	(262,271.00)			304,637.39
Total Fund Balances	14,524,791.28	(157,642.10)	918,894.22	1.17	15,286,044.57
Total Liabilities and Fund Balances	\$ 15,272,328.42	\$ 3,296,716.70	\$ 918,894.22	\$ 1.17	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in funds. The cost of the assets is \$72,623,713.81 and the accumulated depreciation and amortization is \$44,294,392.62.	28,329,321.19
Long-term liabilities, including bonds payable and net pension liability, lease liability, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(15,213,189.15)
Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,828.09)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,324,572.00)
Deferred Outflows of Resources - Related to Pensions	2,478,901.00
Deferred Inflows of Resources - Related to Pensions	(7,753,169.00)
Net position of governmental activities	\$ 21,796,508.52

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 33,872,502.00			\$ 117,716.00	\$ 33,990,218.00
Tuition Charges	620,571.98				620,571.98
Miscellaneous	497,063.71	\$ 58,133.40			555,197.11
State Sources	42,451,143.03	3,999,936.76		75,367.00	46,526,446.79
Federal Sources	602,518.46	4,642,770.37			5,245,288.83
Total Revenues	<u>78,043,799.18</u>	<u>8,700,840.53</u>	<u>-</u>	<u>193,083.00</u>	<u>86,937,722.71</u>
EXPENDITURES:					
Regular Instruction	16,293,670.37				16,293,670.37
Special Education Instruction	7,349,192.61	3,842,664.22			11,191,856.83
Other Special Instruction	2,476,111.99				2,476,111.99
Other Instruction	88,241.13				88,241.13
Tuition	952,457.96	550,046.29			1,502,504.25
Support Services and Undistributed Costs:					
Student and Instruction Related Services	6,251,622.93	2,455,612.85			8,707,235.78
School Administrative Services	1,922,777.32				1,922,777.32
Other Administrative Services	2,064,482.55				2,064,482.55
Plant Operations and Maintenance	5,291,443.60	21,855.00			5,313,298.60
Pupil Transportation	4,610,283.20	305,315.55			4,915,598.75
Unallocated Benefits	12,766,807.04	1,145,102.97			13,911,910.01
Reimbursed TPAF Pension and Social Security	14,785,809.53				14,785,809.53
Transfer to Charter School	736,809.00				736,809.00
Debt Service:					
Principal				169,000.00	169,000.00
Interest and Other Charges				24,082.50	24,082.50
Capital Outlay		788,763.70	\$ 1,407,796.42		2,196,560.12
Total Expenditures	<u>75,589,709.23</u>	<u>9,109,360.58</u>	<u>1,407,796.42</u>	<u>193,082.50</u>	<u>86,299,948.73</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,454,089.95</u>	<u>(408,520.05)</u>	<u>(1,407,796.42)</u>	<u>0.50</u>	<u>637,773.98</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfer -- Capital Reserve to Capital Projects Fund	(1,002,175.00)		1,002,175.00		
Local Contribution -- Transfer to Special Revenue Fund	(397,260.00)	397,260.00			
Total Other Financing Sources and Uses	<u>(1,399,435.00)</u>	<u>397,260.00</u>	<u>1,002,175.00</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>1,054,654.95</u>	<u>(11,260.05)</u>	<u>(405,621.42)</u>	<u>0.50</u>	<u>637,773.98</u>
Fund Balance -- July 1	13,470,136.33	(146,382.05)	1,324,515.64	0.67	14,648,270.59
Fund Balance (Deficit) -- June 30	<u>\$ 14,524,791.28</u>	<u>\$ (157,642.10)</u>	<u>\$ 918,894.22</u>	<u>\$ 1.17</u>	<u>\$ 15,286,044.57</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	637,773.98
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(2,428,497.89)
Capital Outlays		<u>2,196,560.12</u>
		(231,937.77)
<p>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.</p>		
		169,000.00
<p>Repayment of financed purchase lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		114,197.31
<p>Repayment of lease liability 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.</p>		
		162,715.21
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest adjustment is a reduction in the reconciliation. (+)</p>		
		7,171.43
<p>Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		3,571.43
<p>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 (+).</p>		
		(45,254.70)
<p>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.</p>		
		<u>2,290,119.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>3,107,355.89</u></u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 1,070,156.54	\$ 1,093,531.13	\$ 73,046.12	\$ 55,525.27	\$ 2,292,259.06
Accounts Receivable:					
Federal	240,348.01				240,348.01
State	3,501.23				3,501.23
Other	29.35	4,641.99			4,671.34
Inventories	28,131.55				28,131.55
Total Current Assets	<u>1,342,166.68</u>	<u>1,098,173.12</u>	<u>73,046.12</u>	<u>55,525.27</u>	<u>2,568,911.19</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	792,237.07				792,237.07
Less Accumulated Depreciation	(656,203.48)				(656,203.48)
Total Noncurrent Assets	<u>136,033.59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,033.59</u>
Total Assets	<u>1,478,200.27</u>	<u>1,098,173.12</u>	<u>73,046.12</u>	<u>55,525.27</u>	<u>2,704,944.78</u>
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	61,878.42	250,586.91	5,295.88		317,761.21
Compensated Absences	32,330.86				32,330.86
Accounts Payable	12.55	1,000.00			1,012.55
Unearned Revenue	11,782.36				11,782.36
Total Current Liabilities	<u>106,004.19</u>	<u>251,586.91</u>	<u>5,295.88</u>	<u>-</u>	<u>362,886.98</u>
Noncurrent Liabilities:					
Compensated Absences	129,323.45				129,323.45
Total Liabilities	<u>235,327.64</u>	<u>251,586.91</u>	<u>5,295.88</u>	<u>-</u>	<u>492,210.43</u>
NET POSITION:					
Net Investment in Capital Assets	136,033.59				136,033.59
Unrestricted	1,106,839.04	846,586.21	67,750.24	55,525.27	2,076,700.76
Total Net Position	<u>\$ 1,242,872.63</u>	<u>\$ 846,586.21</u>	<u>\$ 67,750.24</u>	<u>\$ 55,525.27</u>	<u>\$ 2,212,734.35</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Proprietary Funds
 Business Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 134,043.99				\$ 134,043.99
Special Functions	1,218.34				1,218.34
Miscellaneous	4,233.41				4,233.41
Community Service Activities		\$ 699,051.08	\$ 12,321.12	\$ 19,400.00	730,772.20
Total Operating Revenues	<u>139,495.74</u>	<u>699,051.08</u>	<u>12,321.12</u>	<u>19,400.00</u>	<u>870,267.94</u>
OPERATING EXPENSES:					
Salaries	1,019,282.90	365,208.67	11,477.75	16,398.12	1,412,367.44
Employee Benefits	295,445.74	33,320.96	878.05	1,254.46	330,899.21
Purchased Property Services	26,740.68	50,000.00			76,740.68
Purchased Professional and Technical Services	8,239.00	139,150.13			147,389.13
General Supplies	71,510.31	12,856.21	711.93	415.14	85,493.59
Depreciation	22,086.62				22,086.62
Cost of Sales - Reimbursable Programs	39,722.94				39,722.94
Cost of Sales - Non-Reimbursable Programs	926,927.61				926,927.61
Miscellaneous	1,191.52	15,970.97		678.33	17,840.82
Total Operating Expenses	<u>2,411,147.32</u>	<u>616,506.94</u>	<u>13,067.73</u>	<u>18,746.05</u>	<u>3,059,468.04</u>
Operating Income / (Loss)	<u>(2,271,651.58)</u>	<u>82,544.14</u>	<u>(746.61)</u>	<u>653.95</u>	<u>(2,189,200.10)</u>
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	41,652.26				41,652.26
Federal Sources:					
National School Lunch Program	1,773,481.77				1,773,481.77
National School Breakfast Program	1,089,569.98				1,089,569.98
After School Snack Program	26,092.00				26,092.00
Food Distribution Program	93,527.75				93,527.75
Summer Food Service Program - Breakfast & Lunch	131,001.96				131,001.96
Summer Food Service Program - Admin	13,423.52				13,423.52
School Programs Emergency Operational Costs	1,877.37				1,877.37
P-EBT Admin Cost Reimb	3,135.00				3,135.00
Local Sources:					
Administrative Fee	15,000.00				15,000.00
Interest Revenue	817.44	1,541.54	112.78	66.63	2,538.39
Total Nonoperating Revenues (Expenses)	<u>3,189,579.05</u>	<u>1,541.54</u>	<u>112.78</u>	<u>66.63</u>	<u>3,191,300.00</u>
Change in Net Position	<u>917,927.47</u>	<u>84,085.68</u>	<u>(633.83)</u>	<u>720.58</u>	<u>1,002,099.90</u>
Net Position -- July 1	<u>324,945.16</u>	<u>762,500.53</u>	<u>68,384.07</u>	<u>54,804.69</u>	<u>1,210,634.45</u>
Net Position -- June 30	<u>\$ 1,242,872.63</u>	<u>\$ 846,586.21</u>	<u>\$ 67,750.24</u>	<u>\$ 55,525.27</u>	<u>\$ 2,212,734.35</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Proprietary Funds
 Business Type Activities - Enterprise Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 124,859.08	\$ 697,954.43	\$ 12,321.12	\$ 19,400.00	\$ 854,534.63
Payments to Employees	(1,020,755.15)	(365,208.67)	(11,477.75)	(16,398.12)	(1,413,839.69)
Payments for Employee Benefits	(295,445.74)	(33,320.96)	(878.05)	(1,254.46)	(330,899.21)
Payments to Suppliers	(1,084,050.84)	(216,977.31)	(711.93)	(1,093.47)	(1,302,833.55)
Net Cash Provided by (used for) Operating Activities	<u>(2,275,392.65)</u>	<u>82,447.49</u>	<u>(746.61)</u>	<u>653.95</u>	<u>(2,193,037.82)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	36,878.43				36,878.43
Federal Sources	3,188,441.45				3,188,441.45
Operating Subsidies and Transfers to Other Funds		50,258.50			50,258.50
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>3,240,319.88</u>	<u>50,258.50</u>	<u>-</u>	<u>-</u>	<u>3,290,578.38</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	817.44	1,541.54	112.78	66.63	2,538.39
Net Increase (Decrease) in Cash and Cash Equivalents	965,744.67	134,247.53	(633.83)	720.58	1,100,078.95
Cash and Cash Equivalents -- July 1	104,411.87	959,283.60	73,679.95	54,804.69	1,192,180.11
Cash and Cash Equivalents -- June 30	<u>\$ 1,070,156.54</u>	<u>\$ 1,093,531.13</u>	<u>\$ 73,046.12</u>	<u>\$ 55,525.27</u>	<u>\$ 2,292,259.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)					
by Operating Activities:					
Operating Income (Loss)	\$ (2,271,651.58)	\$ 82,544.14	\$ (746.61)	\$ 653.95	\$ (2,189,200.10)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	22,086.62				22,086.62
(Increase) Decrease in Accounts Receivable, net	(29.35)	(1,096.65)			(1,126.00)
(Increase) Decrease in Inventories	(3,434.36)				(3,434.36)
Increase (Decrease) in Accounts Payable	(4,544.01)	1,000.00			(3,544.01)
Increase (Decrease) in Unearned Revenue	(14,607.31)				(14,607.31)
Increase (Decrease) in Interfund Payable	(1,740.41)				(1,740.41)
Increase (Decrease) in Compensated Absences	(1,472.25)				(1,472.25)
Total Adjustments	<u>(3,741.07)</u>	<u>(96.65)</u>	<u>-</u>	<u>-</u>	<u>(3,837.72)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,275,392.65)</u>	<u>\$ 82,447.49</u>	<u>\$ (746.61)</u>	<u>\$ 653.95</u>	<u>\$ (2,193,037.82)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 93,527.75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 93,527.75</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre K through eight at its six schools. The School District has an approximate enrollment at June 30, 2022 of 3,257.

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

Component Units

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

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

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

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

Based upon the application of these criteria, the School District has determined that the following organization is not significant and therefore has not been included in the basic financial statements:

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

Complete financial statements of the component unit can be obtained from their administrative office.

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

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

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)**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.

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.

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

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.

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.

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

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2022.

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, 2022. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

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 used 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. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. 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. Amortization on lease assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

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

The School District does not possess any infrastructure assets.

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

The statement of net position and the balance sheet for governmental funds 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, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2022, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

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

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

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2022:

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.

Because of the implementation of GASB Statement No. 87, the School District has determined that lease agreements in the prior fiscal year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement (note 7).

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, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

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

As of June 30, 2022, the School District's bank balances of \$16,847,421.24 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 16,589,673.68
Uninsured and uncollateralized	<u>257,747.56</u>
Total	<u>\$ 16,847,421.24</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 3,731,531.00
Increased by:	
Transfer per June 28, 2022 Resolution	\$ 1,750,000.00
Interest Earnings	<u>5,005.71</u>
	<u>1,755,005.71</u>
	5,486,536.71
Decreased by:	
Withdrawals	<u>1,002,175.00</u>
Ending Balance, June 30, 2022	<u>\$ 4,484,361.71</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects at June 30, 2022 is \$4,783,720.04. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Child Care Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards	\$ 81,567.06	\$ 3,192,087.80	\$ 3,273,654.86	\$ 240,348.01		\$ 240,348.01	\$ 3,514,002.87
State Awards	1,126,105.14		1,126,105.14	3,501.23		3,501.23	1,129,606.37
Other	568,996.37		568,996.37	29.35	\$ 4,641.99	4,671.34	573,667.71
	<u>\$ 1,776,668.57</u>	<u>\$ 3,192,087.80</u>	<u>\$ 4,968,756.37</u>	<u>\$ 243,878.59</u>	<u>\$ 4,641.99</u>	<u>\$ 248,520.58</u>	<u>\$ 5,217,276.95</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2022 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	\$ 17,287.12
Supplies	<u>10,844.43</u>
	<u>\$ 28,131.55</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	(Restated) Balance July 01, 2021	Additions	Retirements and Transfers	Balance June 30, 2022
Governmental Activities:				
Capital Assets, not being Depreciated: and Amortized				
Land	\$ 3,471,768.96			\$ 3,471,768.96
Construction in Progress	2,155,972.53	\$ 1,822,064.42	\$ (499,201.97)	3,478,834.98
Total Capital Assets, not being Depreciated and Amortized	5,627,741.49	1,822,064.42	(499,201.97)	6,950,603.94
Capital Assets, being Depreciated and Amortized:				
Furniture, Fixtures and Equipment	2,424,446.99	374,495.70	(39,063.44)	2,759,879.25
Leased Assets - Equipment	623,402.62			623,402.62
Buildings and Improvements	61,675,313.07		132,112.94	61,807,426.01
Land Improvements	482,401.99			482,401.99
Total Capital Assets, being Depreciated and Amortized	65,205,564.67	374,495.70	93,049.50	65,673,109.87
Total Capital Assets, Cost	70,833,306.16	2,196,560.12	(406,152.47)	72,623,713.81
Less Accumulated Depreciation and Amortization for:				
Furniture, Fixtures and Equipment	(1,889,672.35)	(178,101.17)	2,728.44	(2,065,045.08)
Leased Assets - Equipment		(124,680.52)		(124,680.52)
Buildings and Improvements	(40,057,436.27)	(2,098,069.23)	367,089.03	(41,788,416.47)
Land Improvements	(288,603.58)	(27,646.97)		(316,250.55)
Total Accumulated Depreciation and Amortization	(42,235,712.20)	(2,428,497.89)	369,817.47	(44,294,392.62)
Total Capital Assets, being Depreciated, Net and Amortized, Net	22,969,852.47	(2,054,002.19)	462,866.97	21,378,717.25
Governmental Activities Capital Assets, Net	<u>\$ 28,597,593.96</u>	<u>\$ (231,937.77)</u>	<u>\$ (36,335.00)</u>	<u>\$ 28,329,321.19</u>
	Balance July 01, 2021	Additions	Retirements and Transfers	Balance June 30, 2022
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 792,237.07			\$ 792,237.07
Less Accumulated Depreciation for: Furniture, Fixtures and Equipment	(634,116.86)	\$ (22,086.62)		(656,203.48)
Business-Type Activities Capital Assets, Net	<u>\$ 158,120.21</u>	<u>\$ (22,086.62)</u>	<u>-</u>	<u>\$ 136,033.59</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation and amortization expense were charged to functions / programs of the School District as follows:

Governmental Activities:	
Instruction	\$ 2,015,673.75
Support Service Instructional Staff	7,488.02
General and Business Administrative Services	124,680.52
School Administration	43,559.60
Plant Operations and Maintenance	233,053.36
Unallocated	<u>4,042.64</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 2,428,497.89</u>
 Business-Type Activities:	
Food Service Fund	<u>\$ 22,086.62</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations for governmental activities:

Governmental Activities:	(Restated) Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 507,000.00		\$ (169,000.00)	\$ 338,000.00	\$ 169,000.00
Adjusted by:					
Bond Premiums	10,714.29		(3,571.43)	7,142.86	
Total Bonds Payable	<u>517,714.29</u>	<u>-</u>	<u>(172,571.43)</u>	<u>345,142.86</u>	<u>169,000.00</u>
Other Liabilities:					
Net Pension Liability	16,908,661.00	\$ 7,243,927.00	(11,799,838.00)	12,352,750.00	
Lease Liability	631,713.50		(162,715.21)	468,998.29	166,830.02
Financed Purchases	144,318.51		(114,197.31)	30,121.20	30,121.20
Compensated Absences	2,023,878.86	397,073.71	(404,775.77)	2,016,176.80	403,235.36
Total Other Liabilities	<u>19,708,571.87</u>	<u>7,641,000.71</u>	<u>(12,481,526.29)</u>	<u>14,868,046.29</u>	<u>600,186.58</u>
Governmental Activities Long-Term Liabilities	<u>\$ 20,226,286.16</u>	<u>\$ 7,641,000.71</u>	<u>\$ (12,654,097.72)</u>	<u>\$ 15,213,189.15</u>	<u>\$ 769,186.58</u>

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

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations for business-type activities:

Business-Type Activities:	Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
Other Liabilities:					
Compensated Absences	\$ 163,126.57	\$ 32,625.31	\$ (34,097.57)	\$ 161,654.31	\$ 32,330.86

Compensated absences are liquidated by the food service enterprise fund.

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

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

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 169,000.00	\$ 16,055.00	\$ 185,055.00
2024	169,000.00	8,027.50	177,027.50
	<u>\$ 338,000.00</u>	<u>\$ 24,082.50</u>	<u>\$ 362,082.50</u>

Bonds Authorized but not Issued - As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

Lease Liability - The School District's payments on lease liabilities are budgeted and paid from the general fund on an annual basis.

Lease agreements are summarized as follows:

<u>Description</u>	<u>Payment</u> <u>Amount</u>	<u>Total Lease</u> <u>Liability</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Copiers	\$ 166,830.02	\$ 666,035.59	\$ 631,713.50	-	\$ (162,715.21)	\$ 468,998.29	\$ 166,830.02

The School District leased twenty (20) copiers beginning on July 1, 2018 for a term of five years at a fixed interest rate of 2.52%. This lease is not renewable and the School District will not acquire the copiers at the end of the five years

Annual requirements to amortize lease obligations and related interest are as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 166,830.02	\$ 9,821.98	\$ 176,652.00
2024	171,048.89	5,603.11	176,652.00
2025	131,119.38	1,369.62	132,489.00
Total	<u>\$ 468,998.29</u>	<u>\$ 16,794.71</u>	<u>\$ 485,793.00</u>

Lease Liabilities are amortized in a manner consistent with the School District's depreciation policy for owned assets.

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

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

The School District is leasing computer equipment totaling \$555,785.08 under financed purchases leases for the general government. All financed purchases leases are for terms of four to five years. Financed purchase leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the remaining future minimum payments under the financed purchases at June 30, 2022:

General Government

Fiscal Year			
<u>Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	<u>\$ 30,121.20</u>	<u>\$ 1,525.26</u>	<u>\$ 31,646.46</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. 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 9. The School District's contributions to the postemployment benefits plan are budgeted and paid from the general fund.

Note 8: PENSION PLANS

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

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

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

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

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

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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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. 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.

Public Employees' Retirement System - 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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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.

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 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, 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, 2022 was 25.99% 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, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$7,335,756.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$2,129,582.62.

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 2021. 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, 2022 was 17.15% 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.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$1,221,163.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$590,363.60.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2022, employee contributions totaled \$49,145.41 and the School District recognized pension expense, which equaled the required contributions, of \$36,203.48. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2022, 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	120,343,391.00
	<u>\$ 120,343,391.00</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 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, 2021 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 .2503232843%, which was an increase of .0053062900% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$2,831,733.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2022, the School District reported a liability of \$12,352,750.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. 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, 2021 measurement date, the School District's proportion was .1042734251%, which was an increase of .0005862866% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension benefit of \$1,068,955.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

Note 8: **PENSION PLANS (CONT'D)**

Pension Liabilities, Pension (Benefit) 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 - At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 194,819.00	\$ 88,431.00
Changes of Assumptions	64,333.00	4,397,659.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,254,039.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	895,177.00	13,040.00
School District Contributions Subsequent to the Measurement Date	<u>1,324,572.00</u>	<u>-</u>
	<u>\$ 2,478,901.00</u>	<u>\$ 7,753,169.00</u>

Deferred outflows of resources in the amount of \$1,324,572.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. 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:

<u>Fiscal Year Ending June 30,</u>	
2023	\$ (2,427,918.00)
2024	(1,812,147.00)
2025	(1,331,008.00)
2026	(1,031,423.00)
2027	<u>3,656.00</u>
	<u>\$ (6,598,840.00)</u>

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) 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, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	5.13

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2020. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

(1) based on years of service

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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-2021.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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, 2021 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.

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, 2021 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%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of the June 30, 2021 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 100% 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 projected benefit payments in determining the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of the June 30, 2021 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 and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of 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, 2021, 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, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
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	142,386,333.00	120,343,391.00	101,828,705.00
	<u>\$ 142,386,333.00</u>	<u>\$ 120,343,391.00</u>	<u>\$ 101,828,705.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2021, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 16,821,941.00	\$ 12,352,750.00	\$ 8,560,009.00

Note 8: PENSION PLANS (CONT'D)**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 9: 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2021, 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	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,328

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.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$160,276,104.00. 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, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .2670927814%, which was an increase of .0054021548% from its proportion measured as of June 30, 2020.

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, 2020, which was rolled forward to June 30, 2021, 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 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

Note 9: 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)****Actuarial Assumptions and Other Inputs (Cont'd) -**

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 "General" classification and PUB-2010 Health "Teachers" classification headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled mortality was based on the PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2021 measurement date was 2.16%. 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, 2021		\$ 177,452,316.00
Changes for the Year:		
Service Cost	\$ 8,211,831.00	
Interest Cost	4,157,731.00	
Changes in Benefit Terms	(170,594.00)	
Difference between Expected and Actual Experience	(26,364,471.00)	
Changes in Assumptions	158,125.00	
Member Contributions	106,293.00	
Gross Benefit Payments	(3,275,127.00)	
		<u>(17,176,212.00)</u>
Net Changes		<u>(17,176,212.00)</u>
Balance at June 30, 2022		<u>\$ 160,276,104.00</u>

Note 9: 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)**

Benefit changes: the change in liability for the measurement period from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2020 to June 30, 2021 due to changes in the census.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2020 to June 30, 2021 is due to the combined effect of the decrease in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021; and changes in the trend, salary scale, and updated mortality projection scale.

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, 2021, associated with the School District, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 191,985,612.00</u>	<u>\$ 160,276,104.00</u>	<u>\$ 135,306,770.00</u>

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, 2021, 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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 129,744,027.00</u>	<u>\$ 160,276,104.00</u>	<u>\$ 201,278,427.00</u>

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

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$9,923,271.00 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, 2021 measurement date.

Note 9: 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 - 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, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 24,160,911.00	\$ 48,101,708.00
Changes of Assumptions	27,188,808.00	17,196,133.00
Changes in Proportion	<u>7,200,980.00</u>	<u>750,402.00</u>
	<u>\$ 58,550,699.00</u>	<u>\$ 66,048,243.00</u>

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

Fiscal Year Ending June 30,	
2023	\$ (2,273,186.00)
2024	(2,273,186.00)
2025	(2,273,186.00)
2026	(2,273,186.00)
2027	(1,353,814.00)
Thereafter	<u>2,949,014.00</u>
	<u>\$ (7,497,544.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, 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 \$10,177,282.00, \$143,587.00, \$2,411,372.00, and \$3,013.00, respectively.

Note 11: RISK MANAGEMENT

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

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

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

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
				<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2022	\$ 72,378.70	\$ 405.12	\$180,752.53	\$ 110,465.58	\$180,896.54
2021	66,812.96	4,863.52	74,173.35	2,496.87	180,896.54
2020	65,898.38	3,882.50	71,286.10		176,033.02

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

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

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

Note 12: DEFERRED COMPENSATION

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

Lincoln Investment Planning
Equitable
Siracusa
AIG / VALIC

Note 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$2,016,176.80 and \$161,654.31, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2022 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 2,623,768.83	
Special Revenue		\$ 2,306,007.62
Enterprise Funds		317,761.21
	<u>\$ 2,623,768.83</u>	<u>\$ 2,623,768.83</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>
General Fund:		
Capital Reserve	\$ 1,002,175.00	
Preschool Education Aid		\$ 397,260.00
	<u>\$ 1,002,175.00</u>	<u>\$ 397,260.00</u>
Total Transfers	<u>\$ 1,002,175.00</u>	<u>\$ 397,260.00</u>

The \$1,002,175.00 transfer from the general fund to the capital projects fund is the local funding of the parking lot renovation project. The \$397,260.00 transfer from the general fund to the special revenue fund is the local funding of the preschool education aid grant.

Note 15: 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 16: 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 17: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2022 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Fraytak Veisz Hopkins Duthie, P.C.		
New District Maintenance/Storage Building	12/10/2019	\$ 1,100.00
Reeds Road Parking Lot Renovation	4/8/2022	18,600.00
Landberg Construction, LLC		
Security Vestibule Renovations	6/8/2022	<u>897,175.00</u>
		<u>\$ 916,875.00</u>

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$262,271.00 in the special revenue fund as of June 30, 2022 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 \$262,271.00 is less than the June state aid payments.

Note 19: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$1,958,322.18. Additionally, \$2,112,441.38 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

For Capital Reserve Account - As of June 30, 2022, the balance in the capital reserve account is \$4,484,361.71. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$2,583,227.82. 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).

For Emergency Reserve - As of June 30, 2022, the balance in the emergency reserve is \$643,381.92. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 1). As a result, there exists at June 30, 2022 a restricted fund balance from employer contributions in the amount of \$180,896.54 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$104,628.90.

Note 19: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Capital Projects Fund - The District authorized several projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2022, the restricted fund balance amount was \$918,894.22.

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 \$1.17 of debt service fund balance and has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023, \$1.00 of debt service fund balance at June 30, 2022.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023, \$1,624,149.62 of general fund balance at June 30, 2022.

Other Purposes - As of June 30, 2022, the School District had \$371,101.72 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2022, \$566,908.39 of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2022, the fund balance of the special revenue fund was a deficit of \$262,271.00, 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 18, 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 \$262,271.00 is less than the last state aid payment.

Note 20: 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 Township of Galloway has entered into a property tax abatement agreement with a property having aggregate assessed valuations of \$4,430,600.00. Based on the School District's 2021 certified tax rate of \$1.992, abated taxes totaled \$88,257.55.

Note 21: RESTATEMENT OF PRIOR PERIOD NET POSITION

For the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As a result, the following net positions and fund balances as of July 1, 2021 has been restated. The following tables illustrate the restatement:

	Governmental Activities
Beginning Net Position as Previously Reported at July 1, 2021	\$ 18,680,841.75
Prior Period Adjustments:	
Reclassification of Net Position from Leases:	
Lease Assets	\$ 631,713.50
Lease Liability	<u>(623,402.62)</u>
	<u>8,310.88</u>
Net Position as Restated, July 1, 2021	<u>\$ 18,689,152.63</u>

Note 22: SUBSEQUENT EVENTS

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 33,872,502.00		\$ 33,872,502.00	\$ 33,872,502.00	
Tuition from Other LEA's Within the State	475,000.00		475,000.00	620,571.98	\$ 145,571.98
Interest Earned on Emergency Reserve Funds	15.00		15.00	818.92	803.92
Interest Earned on Maintenance Reserve Funds	185.00		185.00	3,458.22	3,273.22
Interest Earned on Capital Reserve Funds	300.00		300.00	5,005.71	4,705.71
Unrestricted Miscellaneous Revenues	225,000.00		225,000.00	487,780.86	262,780.86
Total - Local Sources	34,573,002.00	-	34,573,002.00	34,990,137.69	417,135.69
State Sources:					
Categorical Transportation Aid	1,088,704.00		1,088,704.00	1,088,704.00	
Special Education Aid	1,996,732.00		1,996,732.00	1,996,732.00	
Equalization Aid	22,928,471.00		22,928,471.00	22,928,471.00	
Categorical Security Aid	739,882.00		739,882.00	739,882.00	
Extraordinary Aid	275,000.00		275,000.00	922,527.00	647,527.00
Non-Public Transportation Aid				38,594.00	38,594.00
Homeless Aid				62,993.00	62,993.00
On-behalf TPAF Pension Contributions (non-budgeted)				10,177,282.00	10,177,282.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				143,587.00	143,587.00
On-behalf TPAF Medical Contributions (non-budgeted)				2,411,372.00	2,411,372.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,013.00	3,013.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,050,555.53	2,050,555.53
Total - State Sources	27,028,789.00	-	27,028,789.00	42,563,712.53	15,534,923.53
Federal Sources:					
SEMI Medicaid Reimbursement	160,859.00		160,859.00	212,905.76	52,046.76
Medicaid Administrative Claiming Aid				24,394.17	24,394.17
Federal Emergency Management Agency				365,218.53	365,218.53
Total - Federal Sources	160,859.00	-	160,859.00	602,518.46	441,659.46
Total Revenues	61,762,650.00	-	61,762,650.00	78,156,368.68	16,393,718.68

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Local Contribution - Trans to Special Rev. - Inclusion	\$ 397,260.00		\$ 397,260.00		\$ 397,260.00
Kindergarten	1,216,094.00		1,216,094.00	\$ 1,148,671.43	67,422.57
Grades 1-5	8,777,302.00	\$ 125,251.00	8,902,553.00	8,902,548.20	4.80
Grades 6-8	5,062,193.00	(103,136.00)	4,959,057.00	4,939,954.92	19,102.08
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	36,486.00	86,486.00	75,540.25	10,945.75
Purchased Professional - Educational Services	5,000.00	3,627.00	8,627.00	8,627.00	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	506,170.00	3,256.00	509,426.00	507,257.32	2,168.68
Purchased Professional - Educational Services	14,850.00		14,850.00	14,555.40	294.60
Other Purchased Services	230,994.00		230,994.00	138,508.36	92,485.64
General Supplies	754,777.95	(0.23)	754,777.72	558,007.49	196,770.23
Total Regular Programs- Instruction	<u>17,014,640.95</u>	<u>65,483.77</u>	<u>17,080,124.72</u>	<u>16,293,670.37</u>	<u>786,454.35</u>
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	584,760.00	(97,590.00)	487,170.00	383,164.45	104,005.55
Other Salaries for Instruction	243,273.00	30,461.00	273,734.00	229,396.13	44,337.87
General Supplies	2,800.00		2,800.00	2,297.42	502.58
Total Learning and / or Language Disabilities	<u>830,833.00</u>	<u>(67,129.00)</u>	<u>763,704.00</u>	<u>614,858.00</u>	<u>148,846.00</u>
Auditory Impairments:					
Salaries of Teachers	149,484.00	(71,030.00)	78,454.00	78,454.00	
Other Salaries for Instruction	125,186.00	(7,424.00)	117,762.00	82,924.00	34,838.00
General Supplies	450.00		450.00		450.00
Total Auditory Impairments	<u>275,120.00</u>	<u>(78,454.00)</u>	<u>196,666.00</u>	<u>161,378.00</u>	<u>35,288.00</u>

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 290,919.00	\$ (147,441.00)	\$ 143,478.00	\$ 141,760.00	\$ 1,718.00
Other Salaries for Instruction	75,752.00	35,851.00	111,603.00	107,136.00	4,467.00
General Supplies	1,770.00	(0.50)	1,769.50	1,164.45	605.05
Total Behavioral Disabilities	368,441.00	(111,590.50)	256,850.50	250,060.45	6,790.05
Multiple Disabilities:					
Salaries of Teachers	639,564.00		639,564.00	541,976.05	97,587.95
Other Salaries for Instruction	590,913.00	5,000.00	595,913.00	496,033.98	99,879.02
General Supplies	7,064.00	(0.25)	7,063.75	3,764.72	3,299.03
Total Multiple Disabilities	1,237,541.00	4,999.75	1,242,540.75	1,041,774.75	200,766.00
Resource Room / Resource Center:					
Salaries of Teachers	3,580,277.00	(177,263.15)	3,403,013.85	3,264,503.34	138,510.51
Other Salaries for Instruction	308,568.00	52,363.00	360,931.00	354,111.90	6,819.10
General Supplies	8,080.00	(249.85)	7,830.15	6,829.07	1,001.08
Total Resource Room / Resource Center	3,896,925.00	(125,150.00)	3,771,775.00	3,625,444.31	146,330.69
Autism					
Salaries of Teachers	223,795.00	9,064.00	232,859.00	232,858.10	0.90
Other Salaries for Instruction	503,446.00	(9,064.47)	494,381.53	478,485.56	15,895.97
General Supplies	3,343.44		3,343.44	2,095.57	1,247.87
Total Autism	730,584.44	(0.47)	730,583.97	713,439.23	17,144.74
Preschool Disabilities - Full Time:					
Salaries of Teachers	421,555.00	(46,660.00)	374,895.00	365,431.22	9,463.78
Other Salaries for Instruction	455,241.00	144,192.00	599,433.00	574,915.08	24,517.92
General Supplies	1,700.00	250.00	1,950.00	1,891.57	58.43
Total Preschool Disabilities - Full Time	878,496.00	97,782.00	976,278.00	942,237.87	34,040.13
Total Special Education - Instruction	8,217,940.44	(279,542.22)	7,938,398.22	7,349,192.61	589,205.61

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General FundBudgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 1,479,229.00	\$ 311,590.00	\$ 1,790,819.00	\$ 1,790,817.77	\$ 1.23
General Supplies	6,100.00		6,100.00	4,588.83	1,511.17
Total Basic Skills / Remedial - Instruction	1,485,329.00	311,590.00	1,796,919.00	1,795,406.60	1,512.40
Bilingual Education - Instruction:					
Salaries of Teachers	678,406.00	380.25	678,786.25	678,786.25	
General Supplies	3,050.00	(380.25)	2,669.75	1,919.14	750.61
Textbooks	600.00		600.00		600.00
Total Bilingual Education - Instruction	682,056.00	-	682,056.00	680,705.39	1,350.61
School Sponsored Cocurricular Activities - Instruction:					
Salaries	54,525.00		54,525.00	44,329.54	10,195.46
Supplies and Materials	14,060.00		14,060.00	3,805.40	10,254.60
Total School Sponsored Cocurricular Activities - Instruction	68,585.00	-	68,585.00	48,134.94	20,450.06
School Sponsored Athletics - Instruction:					
Salaries	32,925.00		32,925.00	29,042.50	3,882.50
Purchased Services	14,450.00		14,450.00	4,743.00	9,707.00
Supplies and Materials	7,595.00		7,595.00	6,320.69	1,274.31
Total School Sponsored Athletics - Instruction	54,970.00	-	54,970.00	40,106.19	14,863.81
Total Instruction	27,523,521.39	97,531.55	27,621,052.94	26,207,216.10	1,413,836.84

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 201,500.00	\$ (69,500.00)	\$ 132,000.00	\$ 99,678.28	\$ 32,321.72
Tuition to CSSD and Regional Day Schools	310,040.00	39,500.00	349,540.00	330,187.03	19,352.97
Tuition to Private Schools for the Disabled - Within State	509,154.00	60,000.00	569,154.00	522,592.65	46,561.35
Total Undistributed Expenditures - Instruction	1,020,694.00	30,000.00	1,050,694.00	952,457.96	98,236.04
Undistributed Expenditures - Attendance and Social Work:					
Salaries	28,840.00		28,840.00	23,213.57	5,626.43
Other Purchased Services	2,500.00		2,500.00	1,185.45	1,314.55
Supplies and Materials	500.00		500.00	129.58	370.42
Total Undistributed Expenditures - Attendance and Social Work	31,840.00	-	31,840.00	24,528.60	7,311.40
Undistributed Expenditures - Health Services:					
Salaries	512,623.00	500.00	513,123.00	433,618.63	79,504.37
Purchased Professional and Technical Services	13,390.00		13,390.00	10,549.99	2,840.01
Other Purchased Services	500.00		500.00		500.00
Supplies and Materials	26,085.73	(487.50)	25,598.23	8,055.42	17,542.81
Total Undistributed Expenditures - Health Services	552,598.73	12.50	552,611.23	452,224.04	100,387.19
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	860,945.00	(101,257.81)	759,687.19	748,842.80	10,844.39
Purchased Professional - Educational Services	18,100.00	21,886.81	39,986.81	39,964.62	22.19
Supplies and Materials	2,267.00		2,267.00	1,976.52	290.48
Total Undistributed Expenditures - Other Support Services - Students - Related Services	881,312.00	(79,371.00)	801,941.00	790,783.94	11,157.06

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Extra Services:					
Salaries	\$ 394,552.00		\$ 394,552.00	\$ 350,429.61	\$ 44,122.39
Purchased Professional - Educational Services	103,861.10	\$ 10,000.00	113,861.10	113,252.10	609.00
Supplies and Materials		6,000.00	6,000.00	5,994.97	5.03
Other Objects	6,000.00	(6,000.00)			
Total Undistributed Expenditures - Other Support Services -					
Students - Extra Services	504,413.10	10,000.00	514,413.10	469,676.68	44,736.42
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	764,646.00	(0.30)	764,645.70	746,850.88	17,794.82
Other Purchased Professional and Technical Services	5,000.00		5,000.00	91.46	4,908.54
Other Purchased Services (400-500 series)	1,200.00		1,200.00	120.06	1,079.94
Supplies and Materials	8,650.00		8,650.00	6,676.60	1,973.40
Other Objects	850.00		850.00		850.00
Total Undistributed Expenditures - Other Support Services -					
Students - Regular	780,346.00	(0.30)	780,345.70	753,739.00	26,606.70
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	1,700,064.00	137,000.52	1,837,064.52	1,833,968.00	3,096.52
Salaries of Secretarial and Clerical Assistants	244,651.00	2,371.09	247,022.09	246,950.23	71.86
Purchased Professional - Educational Services	14,097.00	525.00	14,622.00	13,598.62	1,023.38
Other Purchased Professional and Technical Services	63,000.00	(3,025.00)	59,975.00	58,719.75	1,255.25
Other Purchased Services (400-500 series)	7,500.00	2,500.00	10,000.00	3,973.53	6,026.47
Supplies and Materials	30,192.00	0.10	30,192.10	7,149.88	23,042.22
Other Objects	1,500.00		1,500.00	786.00	714.00
Total Undistributed Expenditures - Other Support Services -					
Students - Special	2,061,004.00	139,371.71	2,200,375.71	2,165,146.01	35,229.70

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 275,115.00	\$ (2,000.08)	\$ 273,114.92	\$ 260,489.04	\$ 12,625.88
Salaries of Secretarial and Clerical Assistants	55,806.00		55,806.00	55,806.00	
Salaries of Facilitators, Math & Literacy Coaches	265,038.00	92,000.00	357,038.00	355,366.00	1,672.00
Purchased Professional - Educational Services	89,500.00		89,500.00	75,041.80	14,458.20
Supplies and Materials	361,520.00	(15,000.23)	346,519.77	312,496.10	34,023.67
Other Objects	15,050.00		15,050.00	12,554.00	2,496.00
Total Undistributed Expenditures - Improvement of Instruction Services	1,062,029.00	74,999.69	1,137,028.69	1,071,752.94	65,275.75
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	447,344.00		447,344.00	421,529.61	25,814.39
Purchased Professional and Technical Services	8,000.00		8,000.00	7,422.50	577.50
Other Purchased Services (400-500 series)	4,300.00		4,300.00		4,300.00
Supplies and Materials	32,873.00		32,873.00	26,257.73	6,615.27
Total Undistributed Expenditures - Educational Media Services / School Library	492,517.00	-	492,517.00	455,209.84	37,307.16
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	68,487.00	0.52	68,487.52	68,486.88	0.64
Purchased Professional - Educational Services	5,000.00		5,000.00	75.00	4,925.00
Total Undistributed Expenditures - Instructional Staff Training Services	73,487.00	0.52	73,487.52	68,561.88	4,925.64

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General FundBudgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 351,459.00	\$ 0.28	\$ 351,459.28	\$ 350,355.00	\$ 1,104.28
Legal Services	70,000.00	30,000.00	100,000.00	99,015.00	985.00
Audit Fees	52,000.00	510.00	52,510.00	52,505.35	4.65
Architectural/Engineering Services	16,460.00		16,460.00	3,460.00	13,000.00
Other Purchased Professional Services	32,250.00	(7,000.00)	25,250.00	24,148.72	1,101.28
Communications / Telephone	396,319.00	(23,719.84)	372,599.16	280,566.19	92,032.97
BOE Other Purchased Services	6,500.00	13,900.00	20,400.00	8,524.71	11,875.29
Other Purchased Services (400-500)	118,903.00	1,310.00	120,213.00	120,208.71	4.29
General Supplies	7,500.00		7,500.00	7,173.38	326.62
Miscellaneous Expenditures	10,450.00		10,450.00	8,800.14	1,649.86
BOE Membership Dues and Fees	25,000.00		25,000.00	23,294.95	1,705.05
Total Undistributed Expenditures - Support Services - General Administration	1,086,841.00	15,000.44	1,101,841.44	978,052.15	123,789.29
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	1,382,071.00	(97,532.25)	1,284,538.75	1,284,218.88	319.87
Salaries of Secretarial and Clerical Assistants	667,947.00	(5,617.36)	662,329.64	600,946.91	61,382.73
Supplies and Materials	71,106.34	(840.00)	70,266.34	24,389.27	45,877.07
Other Objects	7,650.00	840.00	8,490.00	7,605.00	885.00
Total Undistributed Expenditures - Support Services - School Administration	2,128,774.34	(97,532.35)	2,031,241.99	1,922,777.32	108,464.67
Undistributed Expenditures - Central Services:					
Salaries	519,588.00	(0.32)	519,587.68	517,258.32	2,329.36
Purchased Technical Services	24,117.00		24,117.00	18,583.68	5,533.32
Miscellaneous Purchased Services (400-500 series)	15,500.00		15,500.00	12,178.47	3,321.53
Supplies and Materials	10,235.32	5,342.26	15,577.58	14,764.30	813.28
Miscellaneous Expenditures	4,500.00	657.74	5,157.74	5,157.74	
Total Undistributed Expenditures - Central Services	573,940.32	5,999.68	579,940.00	567,942.51	11,997.49

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administration of Information Technology:					
Salaries	\$ 466,781.00	\$ 0.37	\$ 466,781.37	\$ 447,086.85	\$ 19,694.52
Purchased Technical Services	55,000.00	(6,000.00)	49,000.00	26,031.00	22,969.00
Other Purchased Services (400-500 series)	850.00		850.00	772.04	77.96
Other Objects	2,500.00		2,500.00	412.00	2,088.00
Total Undistributed Expenditures - Administration of Information Technology	525,131.00	(5,999.63)	519,131.37	474,301.89	44,829.48
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	471,079.00	0.03	471,079.03	464,492.59	6,586.44
Unused Vacation Payment to Terminated/Retired Staff		4,400.00	4,400.00	4,400.00	
Cleaning, Repair and Maintenance Services	899,440.20	636,261.40	1,535,701.60	885,264.65	650,436.95
Lead Testing of Drinking Water	15,000.00		15,000.00	10,404.00	4,596.00
General Supplies	136,073.97	57,000.00	193,073.97	157,194.23	35,879.74
Other Objects	8,000.00		8,000.00	5,250.70	2,749.30
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,529,593.17	697,661.43	2,227,254.60	1,527,006.17	700,248.43
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,681,768.00	7,992.69	1,689,760.69	1,663,414.88	26,345.81
Unused Vacation Payment to Terminated/Retired Staff		4,100.00	4,100.00	4,084.06	15.94
Purchased Professional and Technical Services	1,500.00	500.00	2,000.00	2,000.00	
Cleaning, Repair and Maintenance Services	82,838.00	1,500.00	84,338.00	79,537.92	4,800.08
Rental of Land and Buildings -- Other than Lease Purchase	6,000.00	285.00	6,285.00	5,429.36	855.64
Other Purchased Property Services	130,000.00	13,007.00	143,007.00	131,495.85	11,511.15
Insurance	175,465.00		175,465.00	175,447.00	18.00
General Supplies	202,545.00	(3,284.58)	199,260.42	193,211.76	6,048.66
Energy (Heat)	174,500.00	41,781.00	216,281.00	210,704.10	5,576.90
Energy (Electricity)	744,500.00	138,730.00	883,230.00	852,359.13	30,870.87
Energy (Gasoline)	15,000.00		15,000.00	9,986.73	5,013.27
Other Objects	7,000.00		7,000.00	6,765.00	235.00
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,221,116.00	204,611.11	3,425,727.11	3,334,435.79	91,291.32

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	\$ 29,700.00		\$ 29,700.00	\$ 29,040.00	\$ 660.00
Cleaning, Repair, and Maintenance Services	201,148.00		201,148.00	119,484.10	81,663.90
General Supplies	37,500.00		37,500.00	12,323.69	25,176.31
Total Undistributed Expenditures - Care & Upkeep of Grounds	268,348.00	-	268,348.00	160,847.79	107,500.21
Undistributed Expenditures - Security					
Salaries	46,367.00	\$ (0.44)	46,366.56	46,366.56	
Purchased Professional and Technical services	182,236.00	(52,402.00)	129,834.00	129,833.83	0.17
Cleaning, Repair, and Maintenance Services	34,634.50	8,402.00	43,036.50	38,301.28	4,735.22
General Supplies	15,000.00	44,000.00	59,000.00	54,652.18	4,347.82
Total Undistributed Expenditures - Security	278,237.50	(0.44)	278,237.06	269,153.85	9,083.21
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)-Reg.	120,123.00	5,229.56	125,352.56	125,350.24	2.32
Other Purchased Prof. and Technical Services	6,050.00		6,050.00	5,500.00	550.00
Contracted Services - Aid in Lieu of Payments - Nonpublic School	55,000.00	27,000.00	82,000.00	81,766.40	233.60
Contracted Services - Aid in Lieu of Payments - Charter School	3,000.00	15,000.00	18,000.00	14,599.90	3,400.10
Contracted Services - Aid in Lieu of Payments - Choice School	20,000.00		20,000.00	18,000.00	2,000.00
Contracted Services - (Between Home and School) - Vendors	2,000.00		2,000.00		2,000.00
Contracted Services - (Other than Between Home and School) - Vendors	94,000.00	24,770.00	118,770.00	109,341.25	9,428.75
Contracted Services - (Between Home and School) - Joint Agreements	2,564,244.00	90,000.00	2,654,244.00	2,581,351.39	72,892.61
Contracted Services (Special Education Students) - Joint Agreements	2,230,140.52	(322,000.00)	1,908,140.52	1,671,621.20	236,519.32
General Supplies	4,850.00		4,850.00	2,752.82	2,097.18
Total Undistributed Expenditures - Student Transportation Services	5,099,407.52	(160,000.44)	4,939,407.08	4,610,283.20	329,123.88
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	740,000.00	75,000.00	815,000.00	815,000.00	
Other Retirement Contributions - PERS	1,280,442.00	(66,749.00)	1,213,693.00	1,213,693.00	
Other Retirement Contributions - Regular	40,000.00		40,000.00	36,203.48	3,796.52
Unemployment Compensation	10,000.00	65,000.00	75,000.00		75,000.00
Workmen's Compensation	367,238.00		367,238.00	367,205.00	33.00
Health Benefits	10,943,279.00	(326,257.00)	10,617,022.00	9,034,621.91	1,582,400.09
Tuition Reimbursement	123,000.00	(8,251.00)	114,749.00	96,919.73	17,829.27
Other Employee Benefits	1,049,000.00		1,049,000.00	989,500.32	59,499.68
Unused Sick Payment to Terminated/Retired Staff	215,000.00		215,000.00	213,663.60	1,336.40
Total Unallocated Benefits	14,767,959.00	(261,257.00)	14,506,702.00	12,766,807.04	1,739,894.96

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Food Services					
Transfers to Cover Deficit	\$ 25,000.00	-	\$ 25,000.00	-	\$ 25,000.00
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 10,177,282.00	(10,177,282.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				143,587.00	(143,587.00)
On-behalf TPAF Medical Contributions (non-budgeted)				2,411,372.00	(2,411,372.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,013.00	(3,013.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,050,555.53	(2,050,555.53)
Total TPAF Contributions	-	-	-	14,785,809.53	(14,785,809.53)
Total Undistributed Expenditures	36,964,588.68	\$ 573,495.92	37,538,084.60	48,601,498.13	(11,063,413.53)
Interest Earned on Maintenance Reserve	185.00	-	185.00	-	185.00
Interest Earned on Current Expense Emergency Reserve	15.00	-	15.00	-	15.00
Total Current Expense	64,488,310.07	671,027.47	65,159,337.54	74,808,714.23	(9,649,376.69)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve	300.00	-	300.00	-	300.00
Equipment:					
Undistributed Expenditures - Custodial Services	8,366.00	0.12	8,366.12	-	8,366.12
Facility Acquisitions and Construction Services:					
Assessment for Debt Service on SDA Funding	44,186.00	-	44,186.00	44,186.00	-
Total Capital Outlay	52,852.00	0.12	52,852.12	44,186.00	8,666.12
Transfer of Funds to Charter School	863,305.00	50,746.00	914,051.00	736,809.00	177,242.00

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Total Expenditures	\$ 65,404,467.07	\$ 721,773.59	\$ 66,126,240.66	\$ 75,589,709.23	\$ (9,463,468.57)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,641,817.07)	(721,773.59)	(4,363,590.66)	2,566,659.45	6,930,250.11
Other Financing Sources (Uses):					
Operating Transfer Out -- Capital Reserve Transferred to Capital Projects Fund				(1,002,175.00)	(1,002,175.00)
Local Contribution - Transfer to Special Revenue Fund				(397,260.00)	(397,260.00)
Total Other Financing Sources (Uses):	-	-	-	(1,399,435.00)	(1,399,435.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,641,817.07)	(721,773.59)	(4,363,590.66)	1,167,224.45	5,530,815.11
Fund Balances, July 1	15,964,912.83	-	15,964,912.83	15,964,912.83	-
Fund Balances, June 30	\$ 12,323,095.76	\$ (721,773.59)	\$ 11,601,322.17	\$ 17,132,137.28	\$ 5,530,815.11
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 4,484,361.71	
Maintenance Reserve				2,583,227.82	
Emergency Reserve				643,381.92	
Excess Surplus				1,958,322.18	
Excess Surplus -- Designated for Subsequent Year's Expenditures				2,112,441.38	
Unemployment Compensation				180,896.54	
Assigned Fund Balance:					
Other Purposes				371,101.72	
Designated for Subsequent Year's Expenditures				1,624,149.62	
Unassigned Fund Balance				3,174,254.39	
				17,132,137.28	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,607,346.00)	
				\$ 14,524,791.28	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Grants	-	\$ 19,873.70	\$ 19,873.70	\$ 58,133.40	\$ (38,259.70)
State Sources:					
Nonpublic Aid	\$ 275,000.00	245,528.00	520,528.00	407,993.14	112,534.86
Emergent Needs				74,160.00	(74,160.00)
Preschool Education Aid	4,101,886.00	(98,356.00)	4,003,530.00	3,606,270.00	397,260.00
Total - State Sources	4,376,886.00	147,172.00	4,524,058.00	4,088,423.14	435,634.86
Federal Sources:					
Title I, Part A	697,671.00	(13,270.05)	684,400.95	604,972.42	79,428.53
Title II, Part A	136,018.00	(12,620.00)	123,398.00	107,566.79	15,831.21
Title III	25,368.00	(1,804.00)	23,564.00	18,730.52	4,833.48
Title III Immigrant		3,739.00	3,739.00	3,716.42	22.58
Title IV	46,538.00	29,647.00	76,185.00	23,695.68	52,489.32
I.D.E.A., Part B Basic	911,641.00	54,926.00	966,567.00	959,494.22	7,072.78
I.D.E.A., Part B, Preschool Incentive		41,982.00	41,982.00	41,259.13	722.87
Education Stabilization Fund III (I.D.E.A., Part B Basic)		188,436.00	188,436.00	85,636.99	102,799.01
Education Stabilization Fund III (I.D.E.A., Part B, Preschool Incentive)		16,018.00	16,018.00	15,716.00	302.00
Education Stabilization Fund (CARES)		7,291.12	7,291.12	7,213.60	77.52
Education Stabilization Fund II (CRRSA)		1,183,135.32	1,183,135.32	956,036.33	227,098.99
Education Stabilization Fund II (Learning Acceleration)		140,475.00	140,475.00	62,507.26	77,967.74
Education Stabilization Fund II (Mental Health)		38,400.00	38,400.00	22,026.78	16,373.22
Education Stabilization Fund III (ARP)		4,919,493.00	4,919,493.00	1,868,017.78	3,051,475.22
Education Stabilization Fund III (Learning Coach)		322,721.00	322,721.00	1,189.27	321,531.73
Education Stabilization Fund III (Summer Learning Enrichment)			40,000.00		40,000.00
Education Stabilization Fund III (Comprehensive Beyond)			40,000.00		40,000.00
Education Stabilization Fund III (Mental Health)			45,000.00		45,000.00
Education Stabilization Fund III (Homeless II)			42,654.00		42,654.00
Total - Federal Sources	1,817,236.00	6,918,569.39	8,903,459.39	4,777,779.19	4,125,680.20
Total Revenues	6,194,122.00	7,085,615.09	13,447,391.09	8,924,335.73	4,523,055.36

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,005,766.47	\$ 971,252.76	\$ 1,977,019.23	\$ 1,304,561.17	\$ 672,458.06
Other Salaries for Instruction	385,365.00	(27,981.08)	357,383.92	357,383.92	
Purchased Professional & Educational Services	114,674.57	44,392.43	159,067.00	122,997.75	36,069.25
Other Purchased Services (400-500 series)	730.92	269.08	1,000.00	1,000.00	
Tuition	499,752.49	50,293.80	550,046.29	550,046.29	
General Supplies	644,030.69	1,839,003.94	2,483,034.63	1,684,637.60	798,397.03
Textbooks	19,487.35	12,143.65	31,631.00	27,106.87	4,524.13
Other Objects	22,630.35	(22,630.35)			
Total Instruction	<u>2,692,437.84</u>	<u>2,866,744.23</u>	<u>5,559,182.07</u>	<u>4,047,733.60</u>	<u>1,511,448.47</u>
Support Services:					
Salaries of Supervisors of Instruction	55,000.00	(55,000.00)			
Salaries of Program Directors	137,935.00	(1.00)	137,934.00	137,934.00	
Salaries of Other Professional Staff	71,030.00	(17,537.78)	53,492.22	53,492.22	
Salaries of Secretarial and Clerical Assistants	55,630.18	707.37	56,337.55	46,337.47	10,000.08
Other Salaries	220,883.89	1,088,360.30	1,309,244.19	380,105.01	929,139.18
Salaries of Community Parent Involvement Spec.	2,050.00		2,050.00	2,050.00	
Salaries of PEA Facilitator/Coach		55,000.00	55,000.00	55,000.00	
Personal Services - Employee Benefits	813,820.95	659,283.80	1,473,104.75	1,145,102.97	328,001.78
Purchased Professional & Technical Services	207,918.44	440,414.60	648,333.04	374,014.23	274,318.81
Purchased Educational Services - Contracted Pre-K	1,562,820.00	(514,845.00)	1,047,975.00	1,047,975.00	
Purchased Educational Services - Head Start	123,360.00		123,360.00	123,360.00	
Other Purchased Professional Services	3,304.57	71,902.54	75,207.11	75,207.11	
Cleaning, Repair and Maintenance Services		74,160.00	74,160.00	74,160.00	
Rentals		21,855.00	21,855.00	21,855.00	
Contracted Services - (Between Home and School)	179,071.00	126,244.55	305,315.55	305,315.55	
Miscellaneous Purchased Services	28,861.15	34,625.85	63,487.00		63,487.00
Supplies and Materials	29,348.88	501,506.83	530,855.71	197,483.90	333,371.81
Other Objects		14,504.00	14,504.00		14,504.00
Student Activities				35,099.30	(35,099.30)
Total Support Services	<u>3,491,034.06</u>	<u>2,501,181.06</u>	<u>5,992,215.12</u>	<u>4,074,491.76</u>	<u>1,917,723.36</u>
Capital Outlay:					
Instructional Equipment		296,085.00	296,085.00	296,085.00	
Non-Instructional Equipment	10,650.10	219,258.80	229,908.90	78,410.70	151,498.20
Construction Services			1,370,000.00	812,271.39	557,728.61
Total Capital Outlay	<u>10,650.10</u>	<u>515,343.80</u>	<u>1,895,993.90</u>	<u>1,186,767.09</u>	<u>709,226.81</u>
Total Expenditures	<u>6,194,122.00</u>	<u>5,883,269.09</u>	<u>13,447,391.09</u>	<u>9,308,992.45</u>	<u>4,138,398.64</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	-	-	-	397,260.00	(397,260.00)
Total Outflows	<u>6,194,122.00</u>	<u>5,883,269.09</u>	<u>13,447,391.09</u>	<u>8,911,732.45</u>	<u>4,535,658.64</u>
Excess (Deficiency) of Revenues Over (Under Expenditures)	<u>-</u>	<u>\$ 1,202,346.00</u>	<u>-</u>	<u>12,603.28</u>	<u>\$ (12,603.28)</u>
Fund Balance, July 1				92,025.62	
Fund Balance, June 30				<u>\$ 104,628.90</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 104,628.90</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Preschool Education Aid Receipts Recognized on GAAP Basis				\$ 98,356.00	
Fiscal Year 2022 Last State Aid Payments not Recognized on GAAP Basis				(360,627.00)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				<u>\$ (157,642.10)</u>	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2022

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	\$ 78,156,368.68	\$ 8,924,335.73
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(199,631.70)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2021.	2,494,776.50	336,763.50
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	<u>(2,607,346.00)</u>	<u>(360,627.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 78,043,799.18</u>	<u>\$ 8,700,840.53</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 75,589,709.23	\$ 9,308,992.28
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.		<u>(199,631.70)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 75,589,709.23</u>	<u>\$ 9,109,360.58</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	Measurement Date 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>
School District's Proportion of the Net Pension Liability	0.1042734251%	0.1036871385%	0.1022143974%	0.1023504196%	0.0949936808%	0.0892962353%	0.0886435742%	0.0923125078%	0.0853225517%
School District's Proportionate Share of the Net Pension Liability	\$ 12,352,750.00	\$ 16,908,661.00	\$ 18,417,484.00	\$ 20,152,228.00	\$ 22,113,010.00	\$ 26,446,984.00	\$ 19,898,706.00	\$ 17,283,426.00	\$ 16,306,835.00
School District's Covered Payroll (Plan Measurement Period)	\$ 8,396,340.00	\$ 8,151,100.00	\$ 7,829,400.00	\$ 7,926,088.00	\$ 7,217,892.00	\$ 6,641,884.00	\$ 6,596,172.00	\$ 6,937,600.00	\$ 6,409,972.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	147.12%	207.44%	235.23%	254.25%	306.36%	398.18%	301.67%	249.13%	254.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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 9 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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

	<u>Fiscal Year Ended June 30,</u>								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,324,572.00	\$ 1,221,163.00	\$ 1,134,287.00	\$ 994,245.00	\$ 1,018,056.00	\$ 880,015.00	\$ 793,295.00	\$ 762,097.00	\$ 761,011.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,324,572.00)</u>	<u>(1,221,163.00)</u>	<u>(1,134,287.00)</u>	<u>(994,245.00)</u>	<u>(1,018,056.00)</u>	<u>(880,015.00)</u>	<u>(793,295.00)</u>	<u>(762,097.00)</u>	<u>(761,011.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 7,721,637.00	\$ 7,705,742.00	\$ 7,507,637.00	\$ 7,275,591.00	\$ 7,096,874.00	\$ 7,010,477.00	\$ 6,258,971.00	\$ 6,012,465.00	\$ 6,007,127.00
Contributions as a Percentage of School District's Covered Payroll	17.15%	15.85%	15.11%	13.67%	14.35%	12.55%	12.67%	12.68%	12.67%

Note: This schedule is presented to illustrate the requirement to show information for 9 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

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

	Measurement Date 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>
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%	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>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>120,343,391.00</u>	<u>161,340,743.00</u>	<u>153,026,178.00</u>	<u>150,908,905.00</u>	<u>164,395,645.00</u>	<u>190,500,423.00</u>	<u>150,849,003.00</u>	<u>127,288,433.00</u>	<u>116,890,790.00</u>
	<u>\$ 120,343,391.00</u>	<u>\$ 161,340,743.00</u>	<u>\$ 153,026,178.00</u>	<u>\$ 150,908,905.00</u>	<u>\$ 164,395,645.00</u>	<u>\$ 190,500,423.00</u>	<u>\$ 150,849,003.00</u>	<u>\$ 127,288,433.00</u>	<u>\$ 116,890,790.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 32,908,096.00	\$ 32,587,872.00	\$ 31,359,172.00	\$ 31,219,912.00	\$ 29,366,556.00	\$ 29,721,712.00	\$ 29,022,944.00	\$ 28,075,876.00	\$ 27,482,672.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	365.70%	495.09%	487.98%	483.37%	559.81%	640.95%	519.76%	453.37%	425.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

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>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

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>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District					
Changes for the Year:					
Service Cost	\$ 8,211,831.00	\$ 4,418,996.00	\$ 4,349,562.00	\$ 4,705,142.00	\$ 5,664,587.00
Interest Cost	4,157,731.00	3,842,236.00	4,705,976.00	4,980,827.00	4,300,221.00
Changes in Benefit Terms	(170,594.00)				
Difference between Expected and Actual Experience	(26,364,471.00)	32,928,181.00	(19,449,964.00)	(10,098,588.00)	
Changes in Assumptions	158,125.00	32,414,440.00	1,593,055.00	(13,636,116.00)	(17,713,692.00)
Member Contributions	106,293.00	93,637.00	97,222.00	109,817.00	115,945.00
Gross Benefit Payments	(3,275,127.00)	(3,089,299.00)	(3,279,796.00)	(3,177,420.00)	(3,148,761.00)
Net Change in Total Non-Employer OPEB Liability	(17,176,212.00)	70,608,191.00	(11,983,945.00)	(17,116,338.00)	(10,781,700.00)
Total Non-Employer OPEB Liability - July 1	<u>177,452,316.00</u>	<u>106,844,125.00</u>	<u>118,828,070.00</u>	<u>135,944,408.00</u>	<u>146,726,108.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 160,276,104.00</u>	<u>\$ 177,452,316.00</u>	<u>\$ 106,844,125.00</u>	<u>\$ 118,828,070.00</u>	<u>\$ 135,944,408.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 35,826,197.00</u>	<u>\$ 35,105,597.00</u>	<u>\$ 34,317,995.00</u>	<u>\$ 33,534,307.00</u>	<u>\$ 33,295,239.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	447.37%	505.48%	311.34%	354.35%	408.30%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2022

Changes in Benefit Terms:

The actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting Chapter 44 provisions.

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>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in trend update, mortality projection scale update, and salary scale.

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Total	Every Student Succeeds Act (E.S.S.A)				Student Support and Academic Enrichment Title IV	I.D.E.A. Part B Special Education Grants to States (IDEA Basic)	Brought Forward
		Grants to Local Education Agencies Title I, Part A	Supporting Effective Instruction State Grants Title II, Part A	Language Instruction for English Learners Title III	Language Instruction for Immigrant Students Title III			
REVENUES:								
Federal Sources	\$ 4,777,779.19	\$ 604,972.42	\$ 107,566.79	\$ 18,730.52	\$ 3,716.42	\$ 23,695.68	\$ 959,494.22	\$ 3,059,603.14
State Sources	4,088,423.14							4,088,423.14
Local Sources	58,133.40							58,133.40
Total Revenues	8,924,335.73	604,972.42	107,566.79	18,730.52	3,716.42	23,695.68	959,494.22	7,206,159.68
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,304,561.17	79,912.04		12,069.32			214,921.30	997,658.51
Other Salaries	357,383.92							357,383.92
Purchased Professional/Technical Services	122,997.75						83,014.75	39,983.00
Other Purchased Services	1,000.00	1,000.00						
Tuition	550,046.29						550,046.29	
Supplies and Materials	1,684,637.60	367,813.85		3,748.34	3,716.42	11,563.93	70,421.82	1,227,373.24
Textbooks	27,106.87							27,106.87
Total Instruction	4,047,733.60	448,725.89	-	15,817.66	3,716.42	11,563.93	918,404.16	2,649,505.54
Support Services:								
Salaries of Program Directors	137,934.00							137,934.00
Salaries of Other Professional Staff	53,492.22							53,492.22
Salaries of Secretarial and Clerical Assistants	46,337.47							46,337.47
Other Salaries	380,105.01	50,369.93	54,944.49			1,579.89	10,045.72	263,164.98
Salaries of Community Parent Involvement Spec.	2,050.00							2,050.00
Salaries of PEEA Facilitator/Coach	55,000.00							55,000.00
Personal Services - Employee Benefits	1,145,102.97	9,918.84	4,203.32	923.31		120.86	17,211.06	1,112,725.58
Purchased Professional & Technical Services	374,014.23	8,604.19	46,281.83			8,620.00		310,508.21
Purchased Educational Services - Contracted Pre-K	1,047,975.00							1,047,975.00
Purchased Educational Services - Head Start	123,360.00							123,360.00
Other Purchased Professional Services	75,207.11	32,187.90	1,764.05					41,255.16
Purchased Property Services	74,160.00							74,160.00
Rentals	21,855.00							21,855.00
Contracted Services - (Between Home and School)	305,315.55					1,811.00		303,504.55
Supplies and Materials	197,483.90	14,830.67	373.10	1,989.55			5,329.28	174,961.30
Student Activities	35,099.30							35,099.30
Total Support Services	4,074,491.76	115,911.53	107,566.79	2,912.86	-	12,131.75	32,586.06	3,803,382.77
Facilities Acquisition and Construction Services:								
Instructional Equipment	296,085.00	36,335.00						259,750.00
Non-Instructional Equipment	78,410.70	4,000.00					8,504.00	65,906.70
Construction Services	812,271.39							812,271.39
Total Facilities Acquisition and Construction Services	1,186,767.09	40,335.00	-	-	-	-	8,504.00	1,137,928.09
Total Expenditures	9,308,992.45	604,972.42	107,566.79	18,730.52	3,716.42	23,695.68	959,494.22	7,590,816.40
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	397,260.00	-	-	-	-	-	-	397,260.00
Total Expenditures and Other Financing Sources (Uses)	8,911,732.45	604,972.42	107,566.79	18,730.52	3,716.42	23,695.68	959,494.22	7,193,556.40
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,603.28	-	-	-	-	-	-	12,603.28
Fund Balance, July 1	92,025.62	-	-	-	-	-	-	92,025.62
Fund Balance, June 30	\$ 104,628.90	-	-	-	-	-	-	\$ 104,628.90

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Carried Forward	I.D.E.A. Part B			C.A.R.E.S. Education Stabilization Fund	C.R.S.S.A		Total Brought Forward
		Special Education Preschool Grants (IDEA Preschool)	ARP Special Education Grants to States (IDEA Basic)	ARP Special Education Preschool Grants (IDEA Preschool)		ESSER II	Learning Acceleration	
REVENUES:								
Federal Sources	\$ 3,059,603.14	\$ 41,259.13	\$ 85,636.99	\$ 15,716.00	\$ 7,213.60	\$ 956,036.33	\$ 62,507.26	\$ 1,891,233.83
State Sources	4,088,423.14							4,088,423.14
Local Sources	58,133.40							58,133.40
Total Revenues	7,206,159.68	41,259.13	85,636.99	15,716.00	7,213.60	956,036.33	62,507.26	6,037,790.37
EXPENDITURES:								
Instruction:								
Salaries of Teachers	997,658.51	20,000.00					37,210.90	940,447.61
Other Salaries	357,383.92							357,383.92
Purchased Professional/Technical Services	39,983.00							39,983.00
Other Purchased Services								
Tuition								
Supplies and Materials	1,227,373.24	12,259.13	63,275.41	15,716.00	706.00	371,920.42	13,442.66	750,053.62
Textbooks	27,106.87							27,106.87
Total Instruction	2,649,505.54	32,259.13	63,275.41	15,716.00	706.00	371,920.42	50,653.56	2,114,975.02
Support Services:								
Salaries of Program Directors	137,934.00							137,934.00
Salaries of Other Professional Staff	53,492.22							53,492.22
Salaries of Secretarial and Clerical Assistants	46,337.47							46,337.47
Salaries of Other Professional Staff	263,164.98		2,193.75			136,822.82	8,367.00	115,781.41
Salaries of Community Parent Involvement Spec.	2,050.00							2,050.00
Salaries of Master Teachers	55,000.00							55,000.00
Personal Services - Employee Benefits	1,112,725.58	9,000.00	167.83			10,416.19	3,486.70	1,089,654.86
Purchased Professional & Technical Services	310,508.21		20,000.00					290,508.21
Purchased Educational Services - Contracted Pre-K	1,047,975.00							1,047,975.00
Purchased Educational Services - Head Start	123,360.00							123,360.00
Other Purchased Professional Services	41,255.16					41,255.16		
Purchased Property Services	74,160.00							74,160.00
Rentals	21,855.00							21,855.00
Contracted Services - (Between Home & School)	303,504.55							303,504.55
Supplies and Materials	174,961.30				6,507.60	69,965.04		98,488.66
Student Activities	35,099.30							35,099.30
Total Support Services	3,803,382.77	9,000.00	22,361.58	-	6,507.60	258,459.21	11,853.70	3,495,200.68
Facilities Acquisition and Construction Services:								
Instructional Equipment	259,750.00					259,750.00		
Non-Instructional Equipment	65,906.70					65,906.70		
Buildings	812,271.39							812,271.39
Total Facilities Acquisition and Construction Services	1,137,928.09	-	-	-	-	325,656.70	-	812,271.39
Total Expenditures	7,590,816.40	41,259.13	85,636.99	15,716.00	7,213.60	956,036.33	62,507.26	6,422,447.09
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	397,260.00	-	-	-	-	-	-	397,260.00
Total Expenditures and Other Financing Sources (Uses)	7,193,556.40	41,259.13	85,636.99	15,716.00	7,213.60	956,036.33	62,507.26	6,025,187.09
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,603.28	-	-	-	-	-	-	12,603.28
Fund Balance, July 1	92,025.62	-	-	-	-	-	-	92,025.62
Fund Balance, June 30	\$ 104,628.90	-	-	-	-	-	-	\$ 104,628.90

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Carried Forward	C.R.S.S.A		American Rescue Plan		S.D.A. Emergent Needs Grant	N.J. Nonpublic Auxiliary Services Ch. 192	Total Brought Forward
		Mental Health	ESSER III	Accelerated Learning Coach and Educator Support	Compensatory Education			
REVENUES:								
Federal Sources	\$ 1,891,233.83	\$ 22,026.78	\$ 1,868,017.78	\$ 1,189.27		\$ 74,160.00	\$ 84,794.92	\$ 3,929,468.22
State Sources	4,088,423.14							58,133.40
Local Sources	58,133.40							
Total Revenues	6,037,790.37	22,026.78	1,868,017.78	1,189.27		74,160.00	84,794.92	3,987,601.62
EXPENDITURES:								
Instruction:								
Salaries of Teachers	940,447.61		145,000.00				61,193.60	734,254.01
Other Salaries	357,383.92							357,383.92
Purchased Professional/Technical Services	39,983.00		39,983.00					
Other Purchased Services								
Tuition								
Supplies and Materials	750,053.62	12,803.67	703,548.69					33,701.26
Textbooks	27,106.87							27,106.87
Total Instruction	2,114,975.02	12,803.67	888,531.69	-		-	61,193.60	1,152,446.06
Support Services:								
Salaries of Program Directors	137,934.00							137,934.00
Salaries of Other Professional Staff	53,492.22							53,492.22
Salaries of Secretarial and Clerical Assistants	46,337.47							46,337.47
Salaries of Other Professional Staff	115,781.41	8,227.75	29,750.40	312.00				77,491.26
Salaries of Community Parent Involvement Spec.	2,050.00							2,050.00
Salaries of Master Teachers	55,000.00							55,000.00
Personal Services - Employee Benefits	1,089,654.86	629.42	2,275.84	23.87			10,681.32	1,076,044.41
Purchased Professional & Technical Services	290,508.21		50,966.84				12,920.00	226,621.37
Purchased Educational Services - Contracted Pre-K	1,047,975.00							1,047,975.00
Purchased Educational Services - Head Start	123,360.00							123,360.00
Other Purchased Professional Services								
Purchased Property Services	74,160.00					74,160.00		
Rentals	21,855.00							21,855.00
Contracted Services - (Between Home & School)	303,504.55	299.95						303,204.60
Supplies and Materials	98,488.66	65.99	84,221.62	853.40				13,347.65
Student Activities	35,099.30							35,099.30
Total Support Services	3,495,200.68	9,223.11	167,214.70	1,189.27		74,160.00	23,601.32	3,219,812.28
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
Buildings	812,271.39		812,271.39					
Total Facilities Acquisition and Construction Services	812,271.39	-	812,271.39	-		-	-	-
Total Expenditures	6,422,447.09	22,026.78	1,868,017.78	1,189.27		74,160.00	84,794.92	4,372,258.34
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	397,260.00							397,260.00
Total Expenditures and Other Financing Sources (Uses)	6,025,187.09	22,026.78	1,868,017.78	1,189.27		74,160.00	84,794.92	3,974,998.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,603.28	-	-	-		-	-	12,603.28
Fund Balance, July 1	92,025.62	-	-	-		-	-	92,025.62
Fund Balance, June 30	\$ 104,628.90	-	-	-		-	-	\$ 104,628.90

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Carried Forward	Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Nonpublic Security Aid	Nonpublic Technology Aid	N.J. Nonpublic Handicapped Serv. Ch. 193		Total Brought Forward
						Corrective Speech	Supplemental Instruction	
REVENUES:								
Federal Sources								
State Sources	\$ 3,929,468.22	\$ 27,106.87	\$ 57,860.10	\$ 102,458.96	\$ 20,988.88	\$ 12,615.00	\$ 56,451.41	\$ 3,651,987.00
Local Sources	58,133.40							58,133.40
Total Revenues	3,987,601.62	27,106.87	57,860.10	102,458.96	20,988.88	12,615.00	56,451.41	3,710,120.40
EXPENDITURES:								
Instruction:								
Salaries of Teachers	734,254.01							734,254.01
Other Salaries	357,383.92							357,383.92
Purchased Professional/Technical Services								
Other Purchased Services								
Tuition								
Supplies and Materials	33,701.26				20,988.88			12,712.38
Textbooks	27,106.87	27,106.87						
Total Instruction	1,152,446.06	27,106.87	-	-	20,988.88	-	-	1,104,350.31
Support Services:								
Salaries of Program Directors	137,934.00							137,934.00
Salaries of Other Professional Staff	53,492.22							53,492.22
Salaries of Secretarial and Clerical Assistants	46,337.47							46,337.47
Salaries of Other Professional Staff	77,491.26							77,491.26
Salaries of Community Parent Involvement Spec.	2,050.00							2,050.00
Salaries of Master Teachers	55,000.00							55,000.00
Personal Services - Employee Benefits	1,076,044.41							1,076,044.41
Purchased Professional & Technical Services	226,621.37		55,096.00	102,458.96		12,615.00	56,451.41	
Purchased Educational Services - Contracted Pre-K	1,047,975.00							1,047,975.00
Purchased Educational Services - Head Start	123,360.00							123,360.00
Other Purchased Professional Services								
Purchased Property Services								
Rentals	21,855.00							21,855.00
Contracted Services - (Between Home & School)	303,204.60							303,204.60
Supplies and Materials	13,347.65		2,764.10					10,583.55
Student Activities	35,099.30							35,099.30
Total Support Services	3,219,812.28	-	57,860.10	102,458.96	-	12,615.00	56,451.41	2,990,426.81
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
Buildings								
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Expenditures	4,372,258.34	27,106.87	57,860.10	102,458.96	20,988.88	12,615.00	56,451.41	4,094,777.12
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	397,260.00	-	-	-	-	-	-	397,260.00
Total Expenditures and Other Financing Sources (Uses)	3,974,998.34	27,106.87	57,860.10	102,458.96	20,988.88	12,615.00	56,451.41	3,697,517.12
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,603.28	-	-	-	-	-	-	12,603.28
Fund Balance, July 1	92,025.62	-	-	-	-	-	-	92,025.62
Fund Balance, June 30	\$ 104,628.90	-	-	-	-	-	-	\$ 104,628.90

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Carried Forward	N.J. Nonpublic Handicapped Serv. Ch. 193 Examination and Classification	Preschool Education Aid	Other Local Grants	Student Activity Fund
REVENUES:					
Federal Sources					
State Sources	\$ 3,651,987.00	\$ 45,717.00	\$ 3,606,270.00		
Local Sources	58,133.40			\$ 10,430.82	\$ 47,702.58
Total Revenues	<u>3,710,120.40</u>	<u>45,717.00</u>	<u>3,606,270.00</u>	<u>10,430.82</u>	<u>47,702.58</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	734,254.01	42,468.00	691,786.01		
Other Salaries	357,383.92		357,383.92		
Purchased Professional/Technical Services					
Other Purchased Services					
Tuition					
Supplies and Materials	12,712.38		2,281.56	10,430.82	
Textbooks					
Total Instruction	<u>1,104,350.31</u>	<u>42,468.00</u>	<u>1,051,451.49</u>	<u>10,430.82</u>	<u>-</u>
Support Services:					
Salaries of Program Directors	137,934.00		137,934.00		
Salaries of Other Professional Staff	53,492.22		53,492.22		
Salaries of Secretarial and Clerical Assistants	46,337.47		46,337.47		
Salaries of Other Professional Staff	77,491.26		77,491.26		
Salaries of Community Parent Involvement Spec.	2,050.00		2,050.00		
Salaries of Master Teachers	55,000.00		55,000.00		
Personal Services - Employee Benefits	1,076,044.41	3,249.00	1,072,795.41		
Purchased Professional & Technical Services					
Purchased Educational Services - Contracted Pre-K	1,047,975.00		1,047,975.00		
Purchased Educational Services - Head Start	123,360.00		123,360.00		
Other Purchased Professional Services					
Purchased Property Services					
Rentals	21,855.00		21,855.00		
Contracted Services - (Between Home & School)	303,204.60		303,204.60		
Supplies and Materials	10,583.55		10,583.55		
Student Activities	35,099.30				35,099.30
Total Support Services	<u>2,990,426.81</u>	<u>3,249.00</u>	<u>2,952,078.51</u>	<u>-</u>	<u>35,099.30</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment					
Buildings					
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,094,777.12</u>	<u>45,717.00</u>	<u>4,003,530.00</u>	<u>10,430.82</u>	<u>35,099.30</u>
Other Financing Sources (Uses):					
Transfers from/(to) General Fund	397,260.00	-	397,260.00	-	-
Total Expenditures and Other Financing Sources (Uses)	<u>3,697,517.12</u>	<u>45,717.00</u>	<u>3,606,270.00</u>	<u>10,430.82</u>	<u>35,099.30</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,603.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,603.28</u>
Fund Balance, July 1	<u>92,025.62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,025.62</u>
Fund Balance, June 30	<u>\$ 104,628.90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 104,628.90</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 700,000.00	\$ 691,786.01	\$ 8,213.99
Other Salaries for Instruction	385,365.00	357,383.92	27,981.08
General Supplies	20,000.00	2,281.56	17,718.44
Total Instruction	<u>1,105,365.00</u>	<u>1,051,451.49</u>	<u>53,913.51</u>
Support Services:			
Salaries of Program Directors	137,935.00	137,934.00	1.00
Salaries of Other Professional Staff	71,030.00	53,492.22	17,537.78
Salaries of Secretarial and Clerical Assistants	46,503.00	46,337.47	165.53
Other Salaries	84,536.00	77,491.26	7,044.74
Salaries of Community Parent Involvement Spec.	2,050.00	2,050.00	
Salaries of Master Teachers	55,000.00	55,000.00	
Personal Services - Employee Benefits	1,080,000.00	1,072,795.41	7,204.59
Purchased Educational Services - Contracted Pre-K	1,060,457.00	1,047,975.00	12,482.00
Purchased Educational Services - Head Start	123,360.00	123,360.00	
Rentals	21,855.00	21,855.00	
Contracted Services - (Between Home and School)	303,205.00	303,204.60	0.40
Supplies and Materials	10,590.00	10,583.55	6.45
Total Support Services	<u>2,996,521.00</u>	<u>2,952,078.51</u>	<u>44,442.49</u>
Total Expenditures	<u>\$ 4,101,886.00</u>	<u>\$ 4,003,530.00</u>	<u>\$ 98,356.00</u>

Calculation of Budget and Carryover

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 3,606,270.00
Add: Actual ECPA Carryover (June 30, 2021)	98,356.00
Add: Budgeted Transfer from the General Fund 2021-2022	<u>397,260.00</u>
Total Preschool Education Aid Funds Available for 2021-2022 Budget	4,101,886.00
Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(4,101,886.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022	-
Add: 2021-2022 Unexpended Preschool Education Aid	98,356.00
Less: 2021-2022 Commissioner Approved Transfer to General Fund	<u>-</u>
2021-2022 Carryover -- Preschool Education Aid	<u>\$ 98,356.00</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>-</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2022

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>	<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Arthur Rann Security Vestibule Renovations State Project # 1690-015-20-1000	10/28/2019	\$ 359,047.98	\$ 348,704.84	\$ 10,343.14		
Pomona Preschool Security Vestibule Renovations State Project # 1690-040-20-1000	10/28/2019	140,153.99	112,172.50	27,981.49		
District Maintenance/ Storage Building State Project # 1690-X01-20-1000	11/18/2019	2,902,340.88	1,620,753.69	1,280,487.19		\$ 1,100.00
Parking Lot Renovations State Project # 1690-045-23-1000	7/1/2021	<u>1,006,778.82</u>		<u>88,984.60</u>		<u>917,794.22</u>
		<u>\$ 4,408,321.67</u>	<u>\$ 2,081,631.03</u>	<u>\$ 1,407,796.42</u>	<u>-</u>	<u>\$ 918,894.22</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2022

Revenues and Other Financing Sources

State Sources--EDA Grant	
Bond Proceeds and Transfers	
Proceeds from Lease Purchase	
Cancellation of Accounts Payable	
Transfer from Capital Reserve	\$ 1,002,175.00
Transfer from Emergency Reserve	
Transfer from (to) Other Local Projects	
Transfer form Capital Outlay	
Total Revenues	1,002,175.00

Expenditures and Other Financing Uses

Expenditures:	
Purchased Professional and Technical Services	\$ 15,637.85
Construction Services	1,392,158.57
Total Expenditures	1,407,796.42
Excess (Deficiency) of Revenues Over (Under) Expenditures	(405,621.42)
Fund Balance -- July 1	1,324,515.64
Fund Balance -- June 30	\$ 918,894.22

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Arthur Rann Elementary School Security Vestibule Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 336,500.00		\$ 336,500.00	\$ 336,500.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	23,733.00	\$ (1,185.02)	22,547.98	22,547.98
Total Revenues	<u>360,233.00</u>	<u>(1,185.02)</u>	<u>359,047.98</u>	<u>359,047.98</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	28,711.49	1,050.00	29,761.49	29,761.49
Construction Services	319,993.35	9,293.14	329,286.49	329,286.49
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>348,704.84</u>	<u>10,343.14</u>	<u>359,047.98</u>	<u>359,047.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 11,528.16</u>	<u>\$ (11,528.16)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-015-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 278,000.00
Additional Authorized Cost	\$ 81,047.98
Revised Authorized Cost	\$ 359,047.98
Percentage Increase over Original Authorized Cost	29%
Percentage Completion	100%
Original Target Completion Date	3/31/2021
Revised Target Completion Date	7/31/2021

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Pomona Preschool Security Vestibule Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 125,000.00		\$ 125,000.00	\$ 125,000.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	17,631.49	\$ (2,477.50)	15,153.99	15,153.99
Total Revenues	<u>142,631.49</u>	<u>(2,477.50)</u>	<u>140,153.99</u>	<u>140,153.99</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	12,061.49	900.00	12,961.49	12,961.49
Construction Services	100,111.01	27,081.49	127,192.50	127,192.50
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>112,172.50</u>	<u>27,981.49</u>	<u>140,153.99</u>	<u>140,153.99</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 30,458.99</u>	<u>\$ (30,458.99)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-040-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 125,000.00
Additional Authorized Cost	\$ 15,153.99
Revised Authorized Cost	\$ 140,153.99
Percentage Increase over Original Authorized Cost	12%
Percentage Completion	100%
Original Target Completion Date	3/31/2021
Revised Target Completion Date	7/31/2021

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 District Maintenance/ Storage Building
 For the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve	\$ 2,523,100.00		\$ 2,523,100.00	\$ 2,523,100.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects	380,182.18	\$ (941.30)	379,240.88	379,240.88
	2,903,282.18	(941.30)	2,902,340.88	2,902,340.88
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	164,270.85	13,687.85	177,958.70	177,958.70
Construction Services	1,456,482.84	1,266,799.34	2,723,282.18	2,724,382.18
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
	1,620,753.69	1,280,487.19	2,901,240.88	2,902,340.88
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,282,528.49	\$ (1,281,428.49)	\$ 1,100.00	-
Encumbered			\$ 1,100.00	
Additional Project Information:				
Project Number	1690-X01-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 2,075,000.00			
Additional Authorized Cost	\$ 827,340.88			
Revised Authorized Cost	\$ 2,902,340.88			
Percentage Increase over Original Authorized Cost	40%			
Percentage Completion	100%			
Original Target Completion Date	7/31/2021			
Revised Target Completion Date	7/31/2022			

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Parking Lot Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--EDA Grant				
Bond Proceeds and Transfers				
Transfer from Capital Reserve		\$ 1,002,175.00	\$ 1,002,175.00	\$ 1,002,175.00
Transfer from Emergency Reserve				
Transfer from (to) Other Local Projects		4,603.82	4,603.82	4,603.82
Total Revenues	-	1,006,778.82	1,006,778.82	1,006,778.82
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				108,684.60
Construction Services		88,984.60	88,984.60	898,094.22
Transfer to General Fund -- Unrestricted				
Transfer to Debt Service Fund				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	-	88,984.60	88,984.60	1,006,778.82
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 917,794.22	\$ 917,794.22	-
			\$ 915,775.00	
Encumbered			2,019.22	
Designated for Subsequent Years Expenditures			<u>\$ 917,794.22</u>	
Additional Project Information:				
Project Number	1690-045-23-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$	-		
Bonds Issued	\$	-		
Original Authorized Cost	\$	1,002,175.00		
Additional Authorized Cost	\$	4,603.82		
Revised Authorized Cost	\$	1,006,778.82		
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	9%			
Original Target Completion Date	12/31/2023			
Revised Target Completion Date	12/31/2023			

PROPRIETARY FUNDS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Proprietary Funds
 Business Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 1,070,156.54	\$ 1,093,531.13	\$ 73,046.12	\$ 55,525.27	\$ 2,292,259.06
Accounts Receivable:					
Federal	240,348.01				240,348.01
State	3,501.23				3,501.23
Other	29.35	4,641.99			4,671.34
Inventories	28,131.55				28,131.55
Total Current Assets	<u>1,342,166.68</u>	<u>1,098,173.12</u>	<u>73,046.12</u>	<u>55,525.27</u>	<u>2,568,911.19</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	792,237.07				792,237.07
Less Accumulated Depreciation	(656,203.48)				(656,203.48)
Total Noncurrent Assets	<u>136,033.59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,033.59</u>
Total Assets	<u>1,478,200.27</u>	<u>1,098,173.12</u>	<u>73,046.12</u>	<u>55,525.27</u>	<u>2,704,944.78</u>
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	61,878.42	250,586.91	5,295.88		317,761.21
Compensated Absences	32,330.86				32,330.86
Accounts Payable	12.55	1,000.00			1,012.55
Unearned Revenue	11,782.36				11,782.36
Total Current Liabilities	<u>106,004.19</u>	<u>251,586.91</u>	<u>5,295.88</u>	<u>-</u>	<u>362,886.98</u>
Noncurrent Liabilities:					
Compensated Absences	129,323.45				129,323.45
Total Liabilities	<u>235,327.64</u>	<u>251,586.91</u>	<u>5,295.88</u>	<u>-</u>	<u>492,210.43</u>
NET POSITION:					
Net Investment in Capital Assets	136,033.59				136,033.59
Unrestricted	1,106,839.04	846,586.21	67,750.24	55,525.27	2,076,700.76
Total Net Position	<u>\$ 1,242,872.63</u>	<u>\$ 846,586.21</u>	<u>\$ 67,750.24</u>	<u>\$ 55,525.27</u>	<u>\$ 2,212,734.35</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 134,043.99				\$ 134,043.99
Special Functions	1,218.34				1,218.34
Miscellaneous	4,233.41				4,233.41
Community Service Activities		\$ 699,051.08	\$ 12,321.12	\$ 19,400.00	730,772.20
Total Operating Revenues	139,495.74	699,051.08	12,321.12	19,400.00	870,267.94
OPERATING EXPENSES:					
Salaries	1,019,282.90	365,208.67	11,477.75	16,398.12	1,412,367.44
Employee Benefits	295,445.74	33,320.96	878.05	1,254.46	330,899.21
Purchased Property Services	26,740.68	50,000.00			76,740.68
Purchased Professional and Technical Services	8,239.00	139,150.13			147,389.13
General Supplies	71,510.31	12,856.21	711.93	415.14	85,493.59
Depreciation	22,086.62				22,086.62
Cost of Sales - Reimbursable Programs	39,722.94				39,722.94
Cost of Sales - Non-Reimbursable Programs	926,927.61				926,927.61
Miscellaneous	1,191.52	15,970.97		678.33	17,840.82
Total Operating Expenses	2,411,147.32	616,506.94	13,067.73	18,746.05	3,059,468.04
Operating Income / (Loss)	(2,271,651.58)	82,544.14	(746.61)	653.95	(2,189,200.10)
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	41,652.26				41,652.26
Federal Sources:					
National School Lunch Program	1,773,481.77				1,773,481.77
National School Breakfast Program	1,089,569.98				1,089,569.98
After School Snack Program	26,092.00				26,092.00
Food Distribution Program	93,527.75				93,527.75
Summer Food Service Program - Breakfast & Lunch	131,001.96				131,001.96
Summer Food Service Program - Admin	13,423.52				13,423.52
School Programs Emergency Operational Costs	1,877.37				1,877.37
P-EBT Admin Cost Reimb	3,135.00				3,135.00
Local Sources:					
Administrative Fee	15,000.00				15,000.00
Interest Revenue	817.44	1,541.54	112.78	66.63	2,538.39
Total Nonoperating Revenues (Expenses)	3,189,579.05	1,541.54	112.78	66.63	3,191,300.00
Change in Net Position	917,927.47	84,085.68	(633.83)	720.58	1,002,099.90
Net Position -- July 1	324,945.16	762,500.53	68,384.07	54,804.69	1,210,634.45
Net Position -- June 30	\$ 1,242,872.63	\$ 846,586.21	\$ 67,750.24	\$ 55,525.27	\$ 2,212,734.35

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 124,859.08	\$ 697,954.43	\$ 12,321.12	\$ 19,400.00	\$ 854,534.63
Payments to Employees	(1,020,755.15)	(365,208.67)	(11,477.75)	(16,398.12)	(1,413,839.69)
Payments for Employee Benefits	(295,445.74)	(33,320.96)	(878.05)	(1,254.46)	(330,899.21)
Payments to Suppliers	(1,084,050.84)	(216,977.31)	(711.93)	(1,093.47)	(1,302,833.55)
Net Cash Provided by (used for) Operating Activities	<u>(2,275,392.65)</u>	<u>82,447.49</u>	<u>(746.61)</u>	<u>653.95</u>	<u>(2,193,037.82)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	36,878.43				36,878.43
Federal Sources	3,188,441.45				3,188,441.45
Local Sources	15,000.00				15,000.00
Operating Subsidies and Transfers to (from) Other Funds		50,258.50			50,258.50
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>3,240,319.88</u>	<u>50,258.50</u>	<u>-</u>	<u>-</u>	<u>3,290,578.38</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	817.44	1,541.54	112.78	66.63	2,538.39
Net Increase (Decrease) in Cash and Cash Equivalents	965,744.67	134,247.53	(633.83)	720.58	1,100,078.95
Cash and Cash Equivalents -- July 1	104,411.87	959,283.60	73,679.95	54,804.69	1,192,180.11
Cash and Cash Equivalents -- June 30	<u>\$ 1,070,156.54</u>	<u>\$ 1,093,531.13</u>	<u>\$ 73,046.12</u>	<u>\$ 55,525.27</u>	<u>\$ 2,292,259.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	<u>\$ (2,271,651.58)</u>	<u>\$ 82,544.14</u>	<u>\$ (746.61)</u>	<u>\$ 653.95</u>	<u>\$ (2,189,200.10)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	22,086.62				22,086.62
(Increase) Decrease in Accounts Receivable, net	(29.35)	(1,096.65)			(1,126.00)
(Increase) Decrease in Inventories	(3,434.36)				(3,434.36)
Increase (Decrease) in Accounts Payable	(4,544.01)	1,000.00			(3,544.01)
Increase (Decrease) in Unearned Revenue	(14,607.31)				(14,607.31)
Increase (Decrease) in Interfund Payable	(1,740.41)				(1,740.41)
Increase (Decrease) in Compensated Absences	(1,472.25)				(1,472.25)
Total Adjustments	<u>(3,741.07)</u>	<u>(96.65)</u>	<u>-</u>	<u>-</u>	<u>(3,837.72)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,275,392.65)</u>	<u>\$ 82,447.49</u>	<u>\$ (746.61)</u>	<u>\$ 653.95</u>	<u>\$ (2,193,037.82)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 93,527.75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 93,527.75</u>

LONG-TERM DEBT

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2022

<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, 2021</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds -- Series 2009	7-1-09	\$ 2,366,000.00	3-1-2023/24	\$ 169,000.00	4.750%	<u>\$ 507,000.00</u>	<u>-</u>	<u>\$ 169,000.00</u>	<u>\$ 338,000.00</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Lease Liability
 For the Fiscal Year Ended June 30, 2022

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2021 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2022 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
20 Canon Copiers	5/1/2019	5 Years	\$ 831,203.47	\$ 52,056.53	2.52%	<u>\$ 631,713.50</u>	<u>-</u>	<u>\$ 162,715.21</u>	<u>\$ 468,998.29</u>

(a) Interest has been removed from the amount outstanding.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 117,716.00	-	\$ 117,716.00	\$ 117,716.00	-
State Sources:					
Debt Service Aid Type II	75,367.00	-	75,367.00	75,367.00	-
Total Revenues	<u>193,083.00</u>	<u>-</u>	<u>193,083.00</u>	<u>193,083.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	24,083.00		24,083.00	24,082.50	\$ 0.50
Redemption of Principal	169,000.00		169,000.00	169,000.00	
Total Regular Debt Service	<u>193,083.00</u>	<u>-</u>	<u>193,083.00</u>	<u>193,082.50</u>	<u>0.50</u>
Total Expenditures	<u>193,083.00</u>	<u>-</u>	<u>193,083.00</u>	<u>193,082.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.50	0.50
Fund Balance, July 1	<u>0.67</u>	<u>-</u>	<u>0.67</u>	<u>0.67</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.67</u>	<u>-</u>	<u>\$ 0.67</u>	<u>\$ 1.17</u>	<u>0.50</u>

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 27,485,058.84	\$ 27,312,158.54	\$ 26,674,200.29	\$ 26,792,240.78	\$ 27,274,364.12	\$ 28,142,115.88	\$ 29,430,670.78	\$ 29,504,631.91	\$ 27,754,527.02	\$ 26,880,038.62
Restricted	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87	8,215,621.54
Unrestricted (Deficit)	<u>(18,674,704.99)</u>	<u>(21,458,875.55)</u>	<u>(22,416,823.93)</u>	<u>(23,363,461.35)</u>	<u>(22,421,910.19)</u>	<u>(20,993,384.90)</u>	<u>(19,820,027.31)</u>	<u>(18,994,065.22)</u>	<u>(313,581.87)</u>	<u>(439,512.46)</u>
Total Governmental Activities Net Position	\$ 21,796,508.52	\$ 18,407,919.59	\$ 18,141,432.12	\$ 18,526,361.34	\$ 19,261,298.04	\$ 19,838,637.91	\$ 22,391,082.07	\$ 20,621,251.00	\$ 35,814,871.02	\$ 34,656,147.70
Business-type Activities:										
Net Investment in Capital Assets	\$ 136,033.59	\$ 158,120.21	\$ 177,397.97	\$ 168,549.74	\$ 179,396.66	\$ 158,034.86	\$ 127,487.57	\$ 87,711.45	\$ 87,213.07	\$ 94,792.27
Unrestricted (Deficit)	<u>2,076,700.76</u>	<u>1,052,514.24</u>	<u>1,016,107.29</u>	<u>1,071,212.65</u>	<u>947,213.43</u>	<u>775,299.78</u>	<u>523,149.07</u>	<u>367,730.64</u>	<u>170,171.91</u>	<u>76,324.09</u>
Total Business-type Activities Net Position	\$ 2,212,734.35	\$ 1,210,634.45	\$ 1,193,505.26	\$ 1,239,762.39	\$ 1,126,610.09	\$ 933,334.64	\$ 650,636.64	\$ 455,442.09	\$ 257,384.98	\$ 171,116.36
District-wide:										
Net Investment in Capital Assets	\$ 27,621,092.43	\$ 27,470,278.75	\$ 26,851,598.26	\$ 26,960,790.52	\$ 27,453,760.78	\$ 28,300,150.74	\$ 29,558,158.35	\$ 29,592,343.36	\$ 27,841,740.09	\$ 26,974,830.89
Restricted	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87	8,215,621.54
Unrestricted (Deficit)	<u>(16,598,004.23)</u>	<u>(20,406,361.31)</u>	<u>(21,400,716.64)</u>	<u>(22,292,248.70)</u>	<u>(21,474,696.76)</u>	<u>(20,218,085.12)</u>	<u>(19,296,878.24)</u>	<u>(18,626,334.58)</u>	<u>(143,409.96)</u>	<u>(363,188.37)</u>
Total District-wide Net Position	\$ 24,009,242.87	\$ 19,618,554.04	\$ 19,334,937.38	\$ 19,766,123.73	\$ 20,387,908.13	\$ 20,771,972.55	\$ 23,041,718.71	\$ 21,076,693.09	\$ 36,072,256.00	\$ 34,827,264.06

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

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

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

For the fiscal year ended June 30, 2022, the School District adopted GASBS No. 87, which requires changes to the School District's reporting of leases. Balances prior to June 30, 2022 are shown as originally reported and have not been restated for this adoption.

Source: District Records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 17,515,407.49	\$ 17,271,859.78	\$ 17,713,813.06	\$ 17,336,129.69	\$ 17,172,218.19	\$ 16,933,499.34	\$ 16,118,409.83	\$ 16,460,049.90	\$ 15,960,197.21	\$ 16,085,642.04
Special Education	12,031,048.16	12,712,141.91	10,642,230.08	10,403,966.16	9,694,002.75	9,072,417.06	8,821,719.03	8,545,879.18	8,668,154.14	8,364,138.16
Other Special Education	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31	1,647,876.41
Other Instruction	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16	83,385.89
Tuition	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53	1,073,501.55
Support Services:										
Student and Instruction Related Services	8,552,008.59	8,457,412.60	7,462,237.38	6,608,268.56	5,966,902.42	6,308,933.43	6,170,609.09	5,471,561.47	5,172,731.41	5,208,472.29
School Administrative Services	1,966,336.92	1,935,307.83	1,980,956.71	2,013,880.77	1,938,561.91	1,975,011.39	1,888,409.27	1,973,497.26	1,804,811.83	1,789,785.38
Other Administrative Services	2,070,447.86	1,796,309.65	1,666,137.79	1,830,934.82	1,529,696.19	1,558,350.71	1,660,478.62	1,577,643.46	1,509,566.90	1,578,291.28
Plant Operations and Maintenance	5,546,351.96	6,113,359.79	5,067,347.92	4,790,989.68	4,955,231.87	4,806,520.07	4,196,660.48	3,772,617.40	3,705,773.93	3,510,017.33
Pupil Transportation	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41	3,615,225.70
Unallocated Benefits	24,376,795.01	33,242,278.82	25,802,227.32	28,222,468.95	32,953,923.31	27,978,164.49	22,244,578.29	18,989,270.29	11,424,206.21	11,267,396.09
Reimbursed TPAF and Social Security	2,053,568.53	2,019,094.59	1,967,211.78	1,944,126.01	1,886,175.94	4,161,311.54	6,001,746.94	5,166,151.40	4,457,212.31	4,983,140.53
Transfer to Charter School	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00	855,139.00
Interest on Long-term Debt	17,857.54	25,885.03	33,912.54	41,940.03	49,967.54	57,816.64	111,866.22	217,409.41	302,519.26	485,093.95
Unallocated Depreciation and Amortization	4,042.64	4,042.64	4,442.54	4,442.54	4,442.54	4,442.53	4,442.53	4,442.53	4,442.53	4,442.53
Total Governmental Activities Expenses	83,853,129.82	92,065,895.13	80,130,856.09	81,337,419.64	84,100,438.23	81,165,811.74	74,372,142.19	70,127,744.24	60,710,156.14	60,551,548.13
Business-type Activities:										
Food Service	2,411,147.32	1,975,326.38	2,057,092.22	2,025,396.47	1,989,769.36	1,823,089.03	1,719,418.70	1,670,911.59	1,733,933.38	1,758,664.36
Childcare Program	616,506.94	383,869.96	341,601.29	397,404.71	300,199.12	251,193.01	204,892.68	190,065.80	243,731.57	234,815.91
Gifted and Talented Consortium	13,067.73	494.80	27,665.70	25,112.04	27,398.76	30,069.93	31,768.46	30,375.65	31,617.53	28,463.29
Community Education	18,746.05	4,772.24	21,795.51	25,513.64	24,664.43	22,421.78	22,259.67	24,236.77	33,256.01	22,343.44
Total Business-type Activities Expense	3,059,468.04	2,364,463.38	2,448,154.72	2,473,426.86	2,342,031.67	2,126,773.75	1,978,339.51	1,915,589.81	2,042,538.49	2,044,287.00
Total District Expenses	\$ 86,912,597.86	\$ 94,430,358.51	\$ 82,579,010.81	\$ 83,810,846.50	\$ 86,442,469.90	\$ 83,292,585.49	\$ 76,350,481.70	\$ 72,043,334.05	\$ 62,752,694.63	\$ 62,595,835.13
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 22,730,049.62	\$ 28,907,978.68	\$ 17,952,120.95	\$ 20,088,558.38	\$ 24,698,039.18	\$ 21,721,635.62	\$ 18,121,470.70	\$ 14,017,721.69	\$ 6,605,629.07	\$ 7,083,244.90
Charges for Services	620,571.98	1,011,092.58	976,400.81	1,185,529.57	903,764.44	399,984.60	288,529.26	548,979.47	242,050.23	184,037.85
Total Governmental Activities Program Revenues	23,350,621.60	29,919,071.26	18,928,521.76	21,274,087.95	25,601,803.62	22,121,620.22	18,409,999.96	14,566,701.16	6,847,679.30	7,267,282.75
Business-type activities:										
Charges for Services:										
Food service	154,495.74	43,800.47	390,886.63	577,021.98	573,751.50	518,226.81	477,690.71	550,464.20	610,028.19	649,570.14
Childcare Program	699,051.08	234,860.19	413,292.38	438,733.49	384,134.05	394,271.15	395,483.55	394,120.24	317,753.21	269,128.17
Gifted and Talented Consortium	12,321.12		26,182.41	23,841.40	28,368.45	29,026.35	32,857.70	36,210.00	38,480.00	33,235.00
Community Education and Recreation	19,400.00	14,100.00	3,073.33	24,290.25	25,084.06	22,995.94	24,961.11	27,864.10	27,125.00	23,715.00
Operating Grants and Contributions	3,173,761.61	2,145,763.70	1,541,893.04	1,513,425.13	1,522,202.92	1,443,431.82	1,178,515.31	1,014,522.51	1,055,018.89	1,035,508.52
Total Business-type Activities Program Revenues	4,059,029.55	2,438,524.36	2,375,327.79	2,577,312.25	2,533,540.98	2,407,952.07	2,109,508.38	2,023,181.05	2,048,405.29	2,011,156.83
Total District Program Revenues	\$ 27,409,651.15	\$ 32,357,595.62	\$ 21,303,849.55	\$ 23,851,400.20	\$ 28,135,344.60	\$ 24,529,572.29	\$ 20,519,508.34	\$ 16,589,882.21	\$ 8,896,084.59	\$ 9,278,439.58
Net (Expense)/Revenue:										
Governmental Activities	\$ (60,502,508.22)	\$ (62,146,823.87)	\$ (61,202,334.33)	\$ (60,063,331.69)	\$ (58,498,634.61)	\$ (59,044,191.52)	\$ (55,962,142.23)	\$ (55,561,043.08)	\$ (53,862,476.84)	\$ (53,284,265.38)
Business-type Activities	999,561.51	74,060.98	(72,826.93)	103,885.39	191,509.31	281,178.32	131,168.87	107,591.24	5,866.80	(33,130.17)
Total District-wide Net Expense	\$ (59,502,946.71)	\$ (62,072,762.89)	\$ (61,275,161.26)	\$ (59,959,446.30)	\$ (58,307,125.30)	\$ (58,763,013.20)	\$ (55,830,973.36)	\$ (55,453,451.84)	\$ (53,856,610.04)	\$ (53,317,395.55)

(Continued)

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 33,872,502.00	\$ 33,872,502.00	\$ 33,208,335.00	\$ 32,557,191.00	\$ 32,076,050.00	\$ 31,447,108.00	\$ 30,606,570.00	\$ 30,454,298.00	\$ 29,255,010.00	\$ 27,975,500.00
Taxes Levied for Debt Service	117,716.00	122,610.00	127,504.00	132,398.00	72,956.00		859,841.00	893,774.00	938,830.00	1,153,968.00
Restricted and Unrestricted Grants and Contributions	29,122,582.40	27,237,195.08	26,404,570.76	25,578,274.80	24,825,077.26	24,790,739.39	25,975,818.22	25,115,182.13	24,622,892.32	24,170,791.50
Other	497,063.71	1,193,864.14	1,076,995.35	1,060,531.19	947,211.48	253,899.97	296,839.81	302,466.90	284,618.11	212,683.29
Transfers							(7,095.73)	(91,462.97)	(80,150.27)	(73,465.14)
Total Governmental Activities	63,609,864.11	62,426,171.22	60,817,405.11	59,328,394.99	57,921,294.74	56,491,747.36	57,731,973.30	56,674,258.06	55,021,200.16	53,439,477.65
Business-type Activities:										
Investment Earnings	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	1,240.81	650.49	401.82	354.60
Insurance Recovery							55,689.14			
Transfers							7,095.73	89,815.38	80,000.00	73,822.97
Total Business-type Activities	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	64,025.68	90,465.87	80,401.82	74,177.57
Total District-wide	\$ 63,612,402.50	\$ 62,454,303.48	\$ 60,843,974.91	\$ 59,337,661.90	\$ 57,923,060.88	\$ 56,493,267.04	\$ 57,795,998.98	\$ 56,764,723.93	\$ 55,101,601.98	\$ 53,513,655.22
Change in Net Position:										
Governmental Activities	\$ 3,107,355.89	\$ 279,347.35	\$ (384,929.22)	\$ (734,936.70)	\$ (577,339.87)	\$ (2,552,444.16)	\$ 1,769,831.07	\$ 1,113,214.98	\$ 1,158,723.32	\$ 155,212.27
Business-type Activities	1,002,099.90	102,193.24	(46,257.13)	113,152.30	193,275.45	282,698.00	195,194.55	198,057.11	86,268.62	41,047.40
Total District	\$ 4,109,455.79	\$ 381,540.59	\$ (431,186.35)	\$ (621,784.40)	\$ (384,064.42)	\$ (2,269,746.16)	\$ 1,965,025.62	\$ 1,311,272.09	\$ 1,244,991.94	\$ 196,259.67

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

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

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

For the fiscal year ended June 30, 2022, the School District adopted GASBS No. 87, which requires changes to the School District's reporting of leases. Balances prior to June 30, 2022 are shown as originally reported and have not been restated for this adoption.

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:										
Restricted	\$ 11,962,631.55	\$ 11,411,017.50	\$ 10,795,818.10	\$ 13,222,079.29	\$ 12,411,386.67	\$ 12,556,470.45	\$ 11,708,926.30	\$ 9,351,513.26	\$ 7,458,757.42	\$ 6,829,713.07
Assigned	1,995,251.34	1,349,762.49	1,881,633.40	412,001.28	585,800.87	779,528.65	785,869.71	515,562.82	415,983.60	918,122.16
Unassigned (Deficit)	566,908.39	709,356.34	(748,237.56)	(809,807.76)	(767,938.83)	(679,985.32)	(691,208.06)	(676,986.34)	1,452,987.05	1,072,889.31
Total General Fund	\$ 14,524,791.28	\$ 13,470,136.33	\$ 11,929,213.94	\$ 12,824,272.81	\$ 12,229,248.71	\$ 12,656,013.78	\$ 11,803,587.95	\$ 9,190,089.74	\$ 9,327,728.07	\$ 8,820,724.54
All Other Governmental Funds:										
Restricted for:										
Capital Projects Fund	\$ 918,894.22	\$ 1,324,515.64	\$ 3,088,237.66	\$ 1,849,775.59	\$ 1,997,457.44	\$ 77,193.00	\$ 403,539.68	\$ 206,521.68	\$ 415,874.63	\$ 1,108,933.43
Special Revenue Fund	104,628.90	92,025.62		25,727.03		10,481.55	37,714.55	17,003.00		
Debt Service Fund	1.17	0.67	0.67	0.17	0.17	64,336.67	169,000.99	169,000.49	169,001.49	169,000.99
Unassigned (Deficit):										
Special Revenue Fund	(262,271.00)	(238,407.67)	(123,936.00)		(10,230.00)				(10,230.00)	(10,230.00)
Total All Other Governmental Funds	\$ 761,253.29	\$ 1,178,134.26	\$ 2,964,302.33	\$ 1,875,502.79	\$ 1,987,227.61	\$ 152,011.22	\$ 610,255.22	\$ 392,525.17	\$ 574,646.12	\$ 1,267,704.42

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Tax Levy	\$ 33,990,218.00	\$ 33,995,112.00	\$ 33,335,839.00	\$ 32,689,589.00	\$ 32,149,006.00	\$ 31,447,108.00	\$ 31,466,411.00	\$ 31,348,072.00	\$ 30,193,840.00	\$ 29,129,468.00
Other Local Revenue	1,175,769.09	2,236,723.07	2,076,953.64	2,280,759.64	1,884,907.30	671,640.20	612,325.41	870,784.50	577,319.59	441,598.15
State Sources	46,526,446.79	42,397,420.79	38,055,211.73	35,560,219.05	32,831,493.10	31,922,693.83	32,153,496.62	30,547,534.71	29,433,375.08	29,504,001.74
Federal Sources	5,245,288.83	4,440,682.62	2,097,237.50	3,219,102.25	3,083,824.96	3,001,020.55	2,706,145.96	1,716,717.98	1,744,495.06	1,705,157.65
Total Revenue	86,937,722.71	83,069,938.48	75,565,241.87	73,749,669.94	69,949,231.36	67,042,462.58	66,938,378.99	64,483,109.19	61,949,029.73	60,780,225.54
Expenditures:										
Instruction										
Regular Instruction	16,293,670.37	16,142,916.11	16,542,435.29	16,162,043.93	15,933,709.30	15,826,528.93	14,772,242.99	15,169,722.05	14,694,960.85	14,802,353.48
Special Education Instruction	11,191,856.83	11,881,235.89	9,938,481.45	9,699,359.73	8,994,843.88	8,479,338.39	8,084,952.45	7,875,954.97	7,981,034.76	7,828,659.01
Other Special Instruction	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31	1,647,876.41
Other Instruction	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16	83,385.89
Tuition	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53	1,073,501.55
Support Services:										
Student and Instruction Related Services	8,707,235.78	8,450,259.84	7,455,419.86	6,600,445.30	5,959,079.16	6,301,110.18	6,162,785.84	5,463,738.22	5,164,908.16	5,200,649.03
School Administrative Services	1,922,777.32	1,891,748.23	1,932,772.17	1,965,696.22	1,870,319.39	1,906,768.87	1,837,883.36	1,895,569.37	1,737,279.54	1,773,367.97
Other Administrative Services	2,064,482.55	1,989,921.30	1,871,167.84	2,028,401.00	1,701,278.62	1,631,612.82	1,679,821.37	1,557,776.35	1,533,662.92	1,557,549.23
Plant Operations and Maintenance	5,313,298.60	5,878,855.95	4,835,710.06	4,561,978.43	4,754,796.81	4,649,835.55	4,082,544.45	3,606,700.96	3,656,043.31	3,459,950.21
Pupil Transportation	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41	3,615,225.70
Unallocated Benefits	13,911,910.01	14,353,055.82	13,639,263.32	13,364,224.95	12,442,120.31	11,825,764.49	12,406,634.29	11,805,331.29	11,424,206.21	11,267,396.09
On-behalf of Pension and Social Security	14,785,809.53	11,757,895.59	9,467,148.78	9,221,845.01	7,775,233.94	6,903,862.54	6,001,746.94	5,166,151.40	4,457,212.31	4,983,140.53
Transfers to Charter School	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00	855,139.00
Debt Service:										
Principal	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	1,554,000.00	1,549,000.00	1,559,000.00	1,579,000.00
Interest and Other Charges	24,082.50	32,110.00	40,137.50	48,165.00	56,192.50	64,220.00	127,647.50	188,115.00	251,742.50	307,146.26
Capital Outlay	2,196,560.12	2,540,045.05	1,689,626.13	1,448,635.94	1,463,525.61	860,106.60	236,573.92	2,484,123.95	2,001,394.40	278,789.99
Total Expenditures	86,299,948.73	83,575,246.27	75,371,501.37	73,410,067.94	69,069,415.09	66,927,492.91	64,100,055.00	64,711,405.50	62,161,985.37	60,313,130.35
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	637,773.98	(505,307.79)	193,740.50	339,602.00	879,816.27	114,969.67	2,838,323.99	(228,296.31)	(212,955.64)	467,095.19
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)				143,697.28	528,635.05	279,212.16			107,051.14	
Accounts Receivable/Payable Canceled								(1,647.59)	(150.27)	357.83
Transfers Out							(7,095.73)	(89,815.38)	(80,000.00)	(73,822.97)
Total Other Financing Sources (Uses)	-	-	-	143,697.28	528,635.05	279,212.16	(7,095.73)	(91,462.97)	26,900.87	(73,465.14)
Net Change in Fund Balances	\$ 637,773.98	\$ (505,307.79)	\$ 193,740.50	\$ 483,299.28	\$ 1,408,451.32	\$ 394,181.83	\$ 2,831,228.26	\$ (319,759.28)	\$ (186,054.77)	\$ 393,630.05
Debt Service as a Percentage of										
Noncapital Expenditures	0.2%	0.2%	0.3%	0.3%	0.3%	0.4%	2.6%	2.8%	3.0%	3.1%

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Rentals	\$ 4,132.41		\$ 6,247.29	\$ 9,082.69	\$ 10,733.97	\$ 22,456.79				
Jury Duty Settlement									\$ 60.00	\$ 30.00
Recycling/Scrap	584.50		244.50	408.00					6,252.30	
Restitution	50,000.00					2,544.00	\$ 1,066.61	\$ 1,176.00	400.00	
Miscellaneous Refunds	18,410.93	\$ 52,433.52							5,191.97	2,596.34
Miscellaneous Refunds - FEMA				59,775.00						
Energy Credits	101,120.28	58,617.90	87,260.96	59,549.67	78,909.07	75,394.54	108,427.80	131,072.70	18,018.00	38,359.70
Insurance Refunds	107,842.00	13,359.00	1,000.00	575,147.00	499,922.00					173.32
PILOT Agreement with Township			31,599.30	31,600.34	94,800.34					
Childcare Rent				50,000.00	45,000.00					
Shared Service Agreements			129,518.72	34,377.26						
Rebates	111,024.08	226,225.19	86,868.96	84,904.42	50,656.18	86,636.70	120,373.44	107,318.27	86,115.75	74,239.67
Other	76,603.90	88,214.49	48,727.75	64,601.37	94,173.86	41,905.05	23,489.23	10,517.14	10,689.93	2,932.63
Sale of Board Assets	2,910.00	368,672.75	2,395.00	13,487.00						
Service Fees									66,418.75	35,561.75
Cancelation of Outstanding Checks		433.26	459.61		171.44					713.04
Prior Year Refunds	80.00		338,600.54	14,660.27	48,771.45	3,881.29	23,783.26	28,315.68	53,739.04	2,825.00
Interest Earned on Deposits	24,355.61	385,908.13	344,072.72	122,713.17	24,073.17	21,081.60	19,699.47	16,797.50	37,523.14	20,885.43
Total Miscellaneous Revenues	\$ 497,063.71	\$ 1,193,864.24	\$ 1,076,995.35	\$ 1,120,306.19	\$ 947,211.48	\$ 253,899.97	\$ 296,839.81	\$ 302,466.90	\$ 284,618.11	\$ 212,683.29

Source: District Records

Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2022	\$ 59,256,000.00	\$ 2,253,153,100.00	\$ 31,864,600.00	\$ 339,196,700.00	\$ 3,166,000.00	\$ 54,683,900.00	\$ 2,741,320,300.00		\$ 2,741,320,300.00	\$ 839,748,397.00	\$ 2,952,736,320.55	\$ 1.273
2021	60,417,000.00	2,246,523,300.00	30,668,900.00	344,534,900.00	3,166,000.00	54,683,900.00	2,739,994,000.00		2,739,994,000.00	829,994,697.00	2,951,307,734.00	1.240
2020	62,434,800.00	2,235,599,000.00	30,475,100.00	341,748,400.00	3,170,300.00	54,683,900.00	2,728,111,500.00		2,728,111,500.00	810,569,697.00	2,880,688,068.00	1.234
2019	63,699,700.00	2,228,850,700.00	30,500,600.00	332,914,600.00	3,170,300.00	54,683,900.00	2,713,819,800.00		2,713,819,800.00	804,458,997.00	2,746,781,275.00	1.217
2018	69,010,600.00	2,218,978,600.00	34,010,200.00	314,252,000.00	3,170,300.00	54,683,900.00	2,694,105,600.00		2,694,105,600.00	821,892,897.00	2,752,457,703.00	1.204
2017	71,322,300.00	2,221,750,400.00	33,342,000.00	301,982,900.00	3,470,300.00	61,759,900.00	2,693,627,800.00		2,693,627,800.00	825,423,097.00	2,765,815,587.00	1.180
2016	73,359,300.00	2,222,039,900.00	33,292,800.00	300,913,700.00	6,880,600.00	61,759,900.00	2,698,246,200.00		2,698,246,200.00	820,214,597.00	2,915,132,022.00	1.165
2015	75,290,000.00	2,223,810,300.00	33,028,300.00	303,890,100.00	7,080,600.00	61,759,900.00	2,704,859,200.00	\$ 5,670,946.00	2,710,530,146.00	819,831,440.00	2,995,060,935.00	1.158
2014	79,309,200.00	2,219,575,900.00	32,008,100.00	306,583,000.00	7,874,400.00	61,759,900.00	2,707,110,500.00	6,299,272.00	2,713,409,772.00	815,827,497.00	2,851,397,012.00	1.135
2013	125,817,700.00	2,904,657,900.00	37,982,000.00	375,739,500.00	12,455,200.00	64,640,000.00	3,521,292,300.00	7,868,387.00	3,529,160,687.00	832,418,720.00	3,173,644,077.00	0.840

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

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

Source: Atlantic County Board of Taxation

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

Year Ended <u>Dec. 31</u>	District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Regional High School <u>District</u>	Township of <u>Galloway</u>	Atlantic <u>County</u>	
2022	\$ 1.269	\$ 0.004	\$ 1.273	\$ 0.719	\$ 0.613	\$ 0.606	\$ 3.211
2021	1.236	0.004	1.240	0.708	0.614	0.585	3.147
2020	1.229	0.005	1.234	0.685	0.615	0.563	3.097
2019	1.212	0.005	1.217	0.658	0.617	0.548	3.040
2018	1.201	0.003	1.204	0.694	0.619	0.566	3.083
2017	1.180		1.180	0.688	0.642	0.573	3.083
2016	1.133	0.032	1.165	0.673	0.663	0.555	3.056
2015	1.125	0.033	1.158	0.662	0.673	0.549	3.042
2014	1.100	0.035	1.135	0.645	0.684	0.477	2.941
2013	0.807	0.033	0.840	0.470	0.480	0.415	2.205

(1) Revaluation

Source: Municipal Tax Collector

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Marriott Ownership Resorts Inc	\$ 44,564,600.00	1	1.63%	\$ 47,902,400.00	1	1.36%
JSM at Galloway, LLC	38,494,900.00	2	1.40%	39,209,800.00	2	1.11%
Galloway Apartments, LLC	37,000,000.00	3	1.35%	38,000,000.00	3	1.08%
Seaview Resort Acquisition Group LLC	14,471,600.00	4	0.53%			
Galloway Sen Prop	10,369,500.00	5	0.38%			
300 E. Jimmie Leeds Rd	10,150,000.00	6	0.37%	11,772,400.00	4	0.33%
One Madison LLC	9,000,000.00	7	0.33%			
Galloway Real Property, LLC	7,600,000.00	8	0.28%			
Towne of Historic Smithville LLC	7,580,300.00	9	0.28%			
VVP3 LLC % Vasco Ventures	5,760,000.00	10	0.21%			
Galloway National Golf Club				11,699,000.00	5	0.33%
Ole Hansen & Son Blue Heron				11,373,800.00	6	0.32%
CNL Galloway, LLC				10,369,500.00	7	0.29%
Galloway Health Care LP				10,000,000.00	8	0.28%
BTR Tilton				9,205,200.00	9	0.26%
Route 27 Acquisition LLC				7,275,000.00	10	0.21%
Total	<u>\$ 184,990,900.00</u>		<u>6.75%</u>	<u>\$ 196,807,100.00</u>		<u>5.58%</u>

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2022	\$ 33,990,218.00	\$ 33,990,218.00	100.00%	
2021	33,872,502.00	33,872,502.00	100.00%	
2020	33,340,733.00	33,340,733.00	100.00%	
2019	32,762,545.00	32,762,545.00	100.00%	
2018	32,149,006.00	32,149,006.00	100.00%	
2017	31,447,108.00	31,447,108.00	100.00%	
2016	31,466,411.00	31,466,411.00	100.00%	
2015	31,348,072.00	31,348,072.00	100.00%	
2014	30,193,840.00	30,193,840.00	100.00%	
2013	29,129,468.00	29,129,468.00	100.00%	

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District Debt	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Financed Purchases (1)	Lease Liability (1)			
2022	\$ 338,000.00	\$ 30,121.20	\$ 468,998.29	\$ 837,119.49	Unavailable	Unavailable
2021	507,000.00	144,318.51		651,318.51	Unavailable	\$ 17.17
2020	676,000.00	331,747.70		1,007,747.70	0.05%	28.40
2019	845,000.00	531,996.06		1,376,996.06	0.08%	38.68
2018	1,014,000.00	588,120.98		1,602,120.98	0.09%	44.80
2017	1,183,000.00	241,724.66		1,424,724.66	0.09%	39.61
2016	1,352,000.00	43,643.70		1,395,643.70	0.09%	38.50
2015	2,906,000.00	64,158.67		2,970,158.67	0.18%	81.03
2014	4,455,000.00	84,793.16		4,539,793.16	0.28%	122.61
2013	6,014,000.00	4,578.54		6,018,578.54	0.38%	161.56

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon the 2020 Census published

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2022	\$ 338,000.00	-	\$ 338,000.00	0.01%	Unavailable
2021	507,000.00	-	507,000.00	0.02%	\$ 13.37
2020	676,000.00	-	676,000.00	0.02%	19.05
2019	845,000.00	-	845,000.00	0.03%	23.74
2018	1,014,000.00	-	1,014,000.00	0.04%	28.35
2017	1,183,000.00	-	1,183,000.00	0.04%	32.89
2016	1,352,000.00	-	1,352,000.00	0.05%	37.30
2015	2,906,000.00	-	2,906,000.00	0.11%	79.28
2014	4,455,000.00	-	4,455,000.00	0.16%	120.32
2013	6,014,000.00	-	6,014,000.00	0.17%	161.44

Sources:

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Galloway Township</u>
Municipal Debt: (1)				
Galloway Township School District	\$ 507,000.00	\$ 507,000.00		
Galloway Township	<u>12,389,073.15</u>	<u>4,381,167.48</u>	<u>\$ 8,007,905.67</u>	<u>\$ 8,007,905.67</u>
	<u>12,896,073.15</u>	<u>4,888,167.48</u>	<u>8,007,905.67</u>	<u>8,007,905.67</u>
Overlapping Debt Apportioned to the Municipality:				
County of Atlantic: (2)				
General:				
Bonds	128,825,000.00	9,450,000.00	119,375,000.00	10,850,302.17
Loans	75,451.00		75,451.00	6,857.94
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>69,505,000.00</u>	<u>69,505,000.00</u>		
	<u>198,405,451.00</u>	<u>78,955,000.00</u>	<u>119,450,451.00</u>	<u>10,857,160.10</u>
	<u>\$ 211,301,524.15</u>	<u>\$ 83,843,167.48</u>	<u>\$ 127,458,356.67</u>	<u>\$ 18,865,065.77</u>

Sources:

- (1) 2021 Annual Debt Statement
 - (2) County's 2021 Annual Debt Statement
 - (3) Utility Authority's 2021 Annual Audit
 - (4) Includes County College Bond:
 - (5) Deductible in accordance with N.J.S. 40:37A-80
 - (6) Such debt is allocated as a proportion of the Township's share of the total 2021 Equalized Value, which is 9.09
- The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxat

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis (1)

\$ 3,176,804,638.00	2021
2,938,401,012.00	2020
<u>2,865,702,006.00</u>	2019

\$ 8,980,907,656.00

\$ 2,993,635,885.33 Average equalized valuation of taxable property

\$ 89,809,076.56 Debt limit (3% of average equalization value) (2)
338,000.00 Total Net Debt Applicable to Limit

\$ 89,471,076.56 Legal Debt Margin

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 89,809,076.56	\$ 85,309,305.48	\$ 83,444,990.91	\$ 82,493,548.42	\$ 84,448,038.89	\$ 86,841,166.54	\$ 90,018,699.83	\$ 93,255,591.53	\$ 97,321,092.26	\$ 102,484,351.89
Total net debt applicable to limit (3)	<u>338,000.00</u>	<u>507,000.00</u>	<u>676,000.00</u>	<u>845,000.00</u>	<u>1,014,000.00</u>	<u>1,183,000.00</u>	<u>1,352,000.00</u>	<u>2,906,000.00</u>	<u>4,455,000.00</u>	<u>6,014,000.00</u>
Legal debt margin	<u>\$ 89,471,076.56</u>	<u>\$ 84,802,305.48</u>	<u>\$ 82,768,990.91</u>	<u>\$ 81,648,548.42</u>	<u>\$ 83,434,038.89</u>	<u>\$ 85,658,166.54</u>	<u>\$ 88,666,699.83</u>	<u>\$ 90,349,591.53</u>	<u>\$ 92,866,092.26</u>	<u>\$ 96,470,351.89</u>
Total net debt applicable to the limit as a percentage of debt limit	0.38%	0.59%	0.81%	1.02%	1.20%	1.36%	1.50%	3.12%	4.58%	5.87%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2021	37,925	Unavailable	Unavailable	8.2%
2020	35,487	\$ 1,980,245,574.00	\$ 55,802.00	16.5%
2019	35,596	1,802,261,076.00	50,631.00	4.4%
2018	35,763	1,740,513,684.00	48,668.00	5.1%
2017	35,967	1,674,227,883.00	46,549.00	6.3%
2016	36,250	1,638,173,750.00	45,191.00	6.6%
2015	36,655	1,625,465,975.00	44,345.00	8.5%
2014	37,026	1,613,963,340.00	43,590.00	9.5%
2013	37,252	1,581,496,408.00	42,454.00	10.8%
2012	37,116	1,552,488,048.00	41,828.00	12.2%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income of Atlantic County-estimated based upon the 2020 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Atlantic City Medical Center				3,500	1	18%
Federal Aviation Administration				3,000	2	16%
Richard Stockton College				840	3	4%
Marriott Corporation / Marriott Country Club				550	4	3%
Betty Bacharach Rehabilitation Center				525	5	3%
Ole Hansen & Sons		Information Unavailable		400	6	2%
Renault Winery				290	7	2%
Village of Smithville				200	8	1%
Blue Heron Pines				Unavailable	9	Unavailable
Lenox China				Unavailable	10	Unavailable
First Student						
	-		-	9,305		48.58%

Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction										
Regular	208	219	231	230	226	208	213	205	203	206
Special education	82	77	83	84	86	79	88	85	84	79
Other special education	93	55	39	39	40	37	49	47	47	47
Other instruction	33	33	32	31	32	30	31	30	30	29
Support Services:										
Student & instruction related services	82	99	98	101	91	80	71	68	66	66
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	24	24	24	24	24	24	24	23	23	23
Business administrative services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	48	46	46	46	46	45	50	48	47	47
Pupil transportation	1	1	2	2	2	2	2	2	2	2
Food Service	44	45	48	48	40	25	25	24	26	27
Community Education and Recreation	0	0	0	1	1	2	2	2	2	2
Total	<u>624</u>	<u>608</u>	<u>612</u>	<u>615</u>	<u>597</u>	<u>541</u>	<u>564</u>	<u>543</u>	<u>539</u>	<u>537</u>

Source: District Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2022	3,257	\$ 75,589,709.23	\$ 23,208.38	5.60%	416	11.4/1	10.7/1	3,077.8	2,890.1	-7.03%	93.90%
2021	3,330	73,003,066.60	21,922.84	-0.25%	384	11.8/1	10.6/1	3,154.6	3,013.8	-4.71%	95.54%
2020	3,343	73,472,737.74	21,978.08	1.49%	385	10.9/1	10.3/1	3,317.5	3,204.7	0.87%	96.60%
2019	3,313	71,744,267.00	21,655.38	6.96%	384	11.0/1	11.0/1	3,301.8	3,138.8	0.55%	95.06%
2018	3,328	67,380,696.98	20,246.60	2.04%	384	11.1/1	11.1/1	3,310.6	3,148.0	1.29%	95.09%
2017	3,318	65,834,166.31	19,841.52	5.27%	354	11.2/1	11.2/1	3,288.8	3,138.0	-1.53%	95.41%
2016	3,299	62,181,833.58	18,848.69	2.27%	354	11.3/1	11.3/1	3,283.7	3,141.5	-3.54%	95.67%
2015	3,282	60,490,166.55	18,430.89	8.97%	341	9.6/1	9.6/1	3,268.4	3,126.4	-4.78%	95.66%
2014	3,450	58,349,848.47	16,913.00	2.62%	313	11.5/1	11.5/1	3,339.8	3,191.9	-3.83%	95.57%
2013	3,528	58,148,194.10	16,481.91	6.84%	314	11.5/1	11.5/1	3,404.2	3,207.0	-2.81%	94.21%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>District Building</u>										
<u>Elementary</u>										
Arthur Rann (1965,1978,1984,1987)										
Square Feet	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531
Capacity (students)	740	740	740	740	740	740	740	740	740	740
Enrollment	643	664	676	680	656	689	689	647	656	654
Oceanville (1927,1953)										
Square Feet	n/a	n/a	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260
Capacity (students)	n/a	n/a	180	180	180	180	180	180	180	180
Enrollment	sold	sold	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Pomona (1930,1965,1979)										
Square Feet	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	106	97	119	132	132	130	119	107	85	92
Reeds Road School (1988)										
Square Feet	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643
Capacity (students)	787	787	787	787	787	787	787	787	787	787
Enrollment	493	490	542	559	567	557	605	613	617	619
Roland Rogers School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	540	534	573	563	532	540	525	535	532	546
Smithville School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	579	579	663	629	683	648	628	621	640	654
<u>Middle School</u>										
Galloway Township Middle School (2000)										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	735	727	770	750	758	754	755	759	807	824

Number of Schools at June 30, 2022

- Elementary = 5
- Middle School = 1
- High School = 0
- Other = 1 building sold

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

Source: District Records

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

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

* School Facilities	Project #	Fiscal Year Ended June 30,									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Galloway Middle School	016	\$ 346,053.55	\$ 596,541.81	\$ 373,724.34	\$ 271,016.39	\$ 257,364.89	\$ 510,462.77	\$ 306,503.65	\$ 151,017.05	\$ 149,696.04	\$ 138,173.42
Arthur Rann	015	242,169.22	314,482.43	162,546.94	215,652.26	229,313.71	176,055.14	125,139.76	103,854.19	87,185.99	181,122.02
Cologne	020			575.09	98.00			153.61	656.14	1,489.58	282.83
Oceanville	030	30,541.62	19,659.78	76,299.25	78,168.90	74,797.41	29,072.02	22,815.66	25,073.65	39,046.45	26,670.39
Pomona	040	64,614.78	142,440.26	101,143.74	72,292.36	48,391.18	58,844.05	73,475.79	46,344.57	73,802.90	47,408.07
Reeds Road	045	269,602.14	409,118.34	256,909.50	270,243.10	179,913.19	266,186.14	203,176.52	117,862.59	126,537.65	94,582.88
Roland Rogers	046	197,405.86	362,051.73	168,546.71	133,714.66	267,890.62	172,711.77	101,641.46	91,543.61	109,746.06	108,730.93
Smithville	048	297,194.92	333,756.51	203,290.54	122,425.55	335,267.62	155,460.75	123,571.97	116,362.45	114,989.16	103,708.04
South Egg Harbor	050				26.13	242.30	1,187.75	426.69	705.35	885.35	646.46
Administration	999	79,424.08	198,222.95	57,933.31	42,066.17	112,073.32	49,859.03	38,009.46	54,082.07	28,385.89	42,411.81
Total School Facilities		<u>1,527,006.17</u>	<u>2,376,273.81</u>	<u>1,400,969.44</u>	<u>1,205,703.52</u>	<u>1,505,254.26</u>	<u>1,419,839.44</u>	<u>994,914.57</u>	<u>707,501.67</u>	<u>731,765.07</u>	<u>743,736.85</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 1,527,006.17</u>	<u>\$ 2,376,273.81</u>	<u>\$ 1,400,969.44</u>	<u>\$ 1,205,703.52</u>	<u>\$ 1,505,254.26</u>	<u>\$ 1,419,839.44</u>	<u>\$ 994,914.57</u>	<u>\$ 707,501.67</u>	<u>\$ 731,765.07</u>	<u>\$ 743,736.85</u>

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

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Insurance Schedule
 June 30, 2022
 Unaudited

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

Excess and Reinsurance Carriers Involved

Property and Crime:

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

General Liability and Automobile Liability:

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

Workers Compensation:

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

Educators Legal Liability:

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

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of Galloway School District's, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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*.

In our opinion, the Township of Galloway School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; the audit 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*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
March 14, 2023

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2022

Pass-through Grantor/Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2021
						From	To	
General Fund								
U.S. Department of Homeland Security:								
Passed-through the State Department of Education:								
Disaster Grants - Public Assistance - Presidentially Declared Disasters	97.039	COVID-19	Unavailable	Unavailable	\$ 365,218.53	7-1-21	6-30-22	-
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	N/A	2005NJSMAP	N/A	212,905.76	7-1-21	6-30-22	-
Medicaid Administrative Claiming Aid	93.778	N/A	2005NJSMAP	N/A	24,394.17	7-1-21	6-30-22	-
Total Medical Assistance Program (Medicaid) Cluster								-
Total General Fund								
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A200030	NCLB169021	674,170.00	7-1-20	9-30-21	\$ (335,233.05)
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A210030	NCLB169022	656,633.00	7-1-21	9-30-22	-
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	N/A	S010A200030	NCLB169021	86,531.00	7-1-20	9-30-21	(66,550.31)
Total Title I, Part A Grants to Local Educational Agencies								(401,783.36)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A200029	NCLB169021	117,105.00	7-1-20	9-30-21	(3,254.98)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A210029	NCLB169022	95,023.00	7-1-21	9-30-22	-
Total Supporting Effective Instruction State Grants (Title II, Part A) ESSA								(3,254.98)
English Language Acquisition (Title III)	84.365	N/A	S365A200030	NCLB169021	18,484.00	7-1-20	9-30-21	(15,408.35)
English Language Acquisition (Title III)	84.365	N/A	S365A210030	NCLB169022	19,581.00	7-1-21	9-30-22	-
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A200030	NCLB169021	3,942.00	7-1-20	9-30-21	(0.24)
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A210030	NCLB169022	3,739.00	7-1-21	9-30-22	-
Total English Language Acquisition (Title III)								(15,408.59)
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A200031	NCLB169021	49,187.00	7-1-20	9-30-21	(3,777.70)
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A210031	NCLB169022	48,747.00	7-1-21	9-30-22	-
Total Title IV - Student Support and Academic Enrichment (ESSA)								(3,777.70)
I.D.E.A. Part B:								
Special Education Cluster:								
Special Education Grants to States (IDEA Basic)	84.027A	N/A	H027A200100	FT169021	981,678.00	7-1-20	9-30-21	(166,238.08)
Special Education Grants to States (IDEA Basic)	84.027A	N/A	H027A210100	FT169022	926,609.00	7-1-21	9-30-22	-
American Rescue Plan - IDEA Basic	84.027X	COVID-19; 84.027X	H027X210100	Unavailable	188,436.00	7-1-21	9-30-22	-
Total Special Education Grants to States (IDEA Basic)								(166,238.08)
Special Education Preschool Grants (IDEA Preschool)	84.173A	N/A	H173A200114	PS169021	39,851.00	7-1-20	9-30-21	(22,523.97)
Special Education Preschool Grants (IDEA Preschool)	84.173A	N/A	H173A210114	PS169022	39,872.00	7-1-21	9-30-22	-
American Rescue Plan - IDEA Preschool	84.173X	COVID-19; 84.173X	H173X210114	Unavailable	16,018.00	7-1-21	9-30-22	-
Total Special Education Preschool Grants (IDEA Preschool)								(22,523.97)
Total I.D.E.A. Part B Special Education Cluster								(188,762.05)
Coronavirus Aid Relief and Economic Security Act 2020 - CARES Act:								
Elementary and Secondary School Emergency Relief Fund (ESSER I)	80.425D	COVID-19; 84.425D	S425D200027	Unavailable	657,068.00	5-15-20	9-30-22	(123,917.26)
Elementary and Secondary School Emergency Relief Fund (ESSER I)	80.425D	COVID-19; 84.425D	S425D210027	Unavailable	2,188,936.00	3-15-21	9-30-23	(1,005,800.68)
Elementary and Secondary School Emergency Relief Fund (Learning Acceleration)	80.425D	COVID-19; 84.425D	S425D210027	Unavailable	140,475.00	3-15-21	9-30-23	-
Elementary and Secondary School Emergency Relief Fund (Mental Health)	80.425D	COVID-19; 84.425D	S425D210027	Unavailable	45,000.00	3-15-21	9-30-23	(6,600.00)
American Rescue Plan ESSER III	80.425U	COVID-19; 84.425U	S425U210027	Unavailable	4,919,493.00	3-13-20	9-30-24	-
American Rescue Plan ESSER Accelerated Learning Coach & Educator Support	80.425U	COVID-19; 84.425U	S425U210027	Unavailable	322,721.00	3-13-20	9-30-24	-
American Rescue Plan ESSER Evidence Based Summer Learning & Enrichment	80.425U	COVID-19; 84.425U	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	-
American Rescue Plan ESSER Evidence Based Comprehensive Beyond the School Day	80.425U	COVID-19; 84.425U	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	-
American Rescue Plan ESSER NUTSS Mental Health Support Staffing	80.425U	COVID-19; 84.425U	S425U210027	Unavailable	45,000.00	3-13-20	9-30-24	-
American Rescue Plan ESSER Homeless II	80.425W	COVID-19; 84.425U	S425W210031	Unavailable	42,654.00	3-13-20	9-30-24	-
Total Elementary and Secondary School Emergency Relief Fund								(1,136,317.94)
Total U.S. Department of Education - Passed-through State Department of Education								(1,749,304.62)
U.S. Department of Treasury:								
Passed-through N.J. State Department of Education:								
Coronavirus Relief Funding:								
Nonpublic Technology Initiative	21.019	COVID-19	SLT0228	Unavailable	24,013.00	8-1-20	10-31-20	765.64
School Reopening and Remote Learning Grant	21.019	COVID-19	SLT0228	Unavailable	292,237.00	3-1-20	12-31-20	139.71
Total Coronavirus Relief Funding								905.35
Total Special Revenue Fund								(1,748,399.27)
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	N/A	211NJ304N1099	Unavailable	1,089,569.98	7-1-21	6-30-22	-
National School Lunch Program - Commodities (Noncash)	10.555	N/A	201NJ304N1099	Unavailable	93,527.75	7-1-21	6-30-22	-
After School Snack Program	10.555	N/A	201NJ304N1099	Unavailable	8,328.00	7-1-20	6-30-21	(3,397.44)
After School Snack Program	10.555	N/A	221NJ304N1099	Unavailable	26,092.00	7-1-21	6-30-22	-
School Programs Emergency Operational Costs	10.555	COVID-19	2021212H170341	Unavailable	103,390.00	7-1-20	6-30-21	(103,390.00)
National School Lunch Program	10.555	N/A	221NJ304N1099	Unavailable	1,773,481.77	7-1-21	6-30-22	-
Total National School Lunch Program								(106,787.44)
Summer Food Service Program for Children - CARES Act	10.559	COVID-19	201NJ304N1099	Unavailable	183,591.74	7-1-20	6-30-21	(17,256.91)
Summer Food Service Program for Children - CARES Act	10.559	COVID-19	211NJ304N1099	Unavailable	13,423.52	7-1-21	6-30-22	-
Summer Food Service Program for Children	10.559	N/A	211NJ304N1099	Unavailable	1,790,728.18	7-1-20	6-30-21	(168,300.16)
Summer Food Service Program for Children	10.559	N/A	221NJ304N1099	Unavailable	131,001.96	7-1-21	6-30-22	-
Total Summer Food Service Program for Children								(185,557.07)
School Programs Emergency Operational Costs - Child & Adult Care Food Program	10.558	COVID-19	Unavailable	Unavailable	1,877.37	7-1-21	6-30-22	-
Total Child Nutrition Cluster								(292,344.51)
P-EBT Administrative Cost Reimbursement	10.649	COVID-19	202121S900941	Unavailable	3,063.00	7-1-20	6-30-21	(3,063.00)
P-EBT Administrative Cost Reimbursement	10.649	COVID-19	202121H170341	Unavailable	3,135.00	7-1-21	6-30-22	-
Total P-EBT Administrative Cost Reimbursement								(3,063.00)
Total Enterprise Fund								(295,407.51)
Total Federal Financial Assistance								\$ (2,043,806.78)

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

Carry-over Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2022		Due to Grantor
		Pass-through Funds	Direct Funds	Total Budgetary Expenditures				Accounts Receivable	Unearned Revenue	
-	\$ 365,218.53	\$ 365,218.53	-	\$ 365,218.53	-	-	-	-	-	-
	139,292.56	212,905.76		212,905.76			\$ (73,613.20)			
	16,440.31	24,394.17		24,394.17			(7,953.86)			
-	155,732.87	237,299.93	-	237,299.93	-	-	(81,567.06)	-	-	-
-	520,951.40	602,518.46	-	602,518.46	-	-	(81,567.06)	-	-	-
\$ (26,915.00)	363,081.00	932.95		932.95						
26,915.00	127,315.00	604,039.47		604,039.47			\$ (529,238.00)	\$ 79,428.53		
	66,551.00					\$ (0.69)				
-	556,947.00	604,972.42	-	604,972.42	-	(0.69)	(529,238.00)	79,428.53	-	-
(28,375.00)	31,630.00					(0.02)				
28,375.00	59,737.00	107,566.79		107,566.79			(35,286.00)	15,831.21		
-	91,367.00	107,566.79	-	107,566.79	-	(0.02)	(35,286.00)	15,831.21	-	-
(3,983.00)	19,391.00					0.35				
3,983.00	11,413.00	18,730.52		18,730.52			(8,168.00)	4,833.48		
		3,716.42		3,716.42		0.24	(3,739.00)	22.58		
-	30,804.00	22,446.94	-	22,446.94	-	0.59	(11,907.00)	4,856.06	-	-
(8,232.00)	12,010.00					(0.30)				
8,232.00		23,695.68		23,695.68			(67,953.00)	52,489.32		
-	12,010.00	23,695.68	-	23,695.68	-	(0.30)	(67,953.00)	52,489.32	-	-
(39,958.00)	206,196.00					0.08				
39,958.00	359,652.00	959,494.22		959,494.22			(566,957.00)	7,072.78		
	13,309.00	85,636.99		85,636.99			(175,127.00)	102,799.01		
-	579,157.00	1,045,131.21	-	1,045,131.21	-	0.08	(742,084.00)	109,871.79	-	-
(2,110.00)	24,634.00					(0.03)				
2,110.00	11,204.00	41,259.13		41,259.13			(28,668.00)	722.87		
		15,716.00		15,716.00			(16,018.00)	302.00		
-	35,838.00	56,975.13	-	56,975.13	-	(0.03)	(44,686.00)	1,024.87	-	-
-	614,995.00	1,102,106.34	-	1,102,106.34	-	0.05	(786,770.00)	110,896.66	-	-
	131,131.00	7,213.60		7,213.60		(0.14)	(78.00)	78.00		
	1,847,938.00	956,036.33		956,036.33			(340,998.00)	227,098.99		
	23,322.00	62,507.26		62,507.26		(0.48)	(117,153.00)	77,967.26		
	26,483.00	22,026.78		22,026.78			(18,517.00)	16,373.22		
		1,868,017.78		1,868,017.78			(4,919,493.00)	3,051,475.22		
		1,189.27		1,189.27			(322,721.00)	321,531.73		
							(40,000.00)	40,000.00		
							(40,000.00)	40,000.00		
							(45,000.00)	45,000.00		
							(42,654.00)	42,654.00		
-	2,028,874.00	2,916,991.02	-	2,916,991.02	-	(0.62)	(5,886,614.00)	3,862,178.42	-	-
-	3,334,997.00	4,777,779.19	-	4,777,779.19	-	(0.99)	(7,317,768.00)	4,125,680.20	-	-
							\$ 765.64			
							139.71			
-	-	-	-	-	-	-	905.35	-	-	-
-	3,334,997.00	4,777,779.19	-	4,777,779.19	-	(0.99)	905.35	(7,317,768.00)	4,125,680.20	-
-	1,003,060.53	1,089,569.98	-	1,089,569.98	-	-	(86,509.45)	-	-	-
	93,527.75	93,527.75		93,527.75						
	3,397.44									
	24,390.00	26,092.00		26,092.00			(1,702.00)			
	103,390.00									
	1,621,345.21	1,773,481.77		1,773,481.77			(152,136.56)			
-	1,846,050.40	1,893,101.52	-	1,893,101.52	-	-	(153,838.56)	-	-	-
	17,256.91									
	13,423.52	13,423.52		13,423.52						
	168,300.16									
	131,001.96	131,001.96		131,001.96						
-	329,982.55	144,425.48	-	144,425.48	-	-	-	-	-	-
-	1,877.37	1,877.37	-	1,877.37	-	-	-	-	-	-
-	3,180,970.85	3,128,974.35	-	3,128,974.35	-	-	(240,348.01)	-	-	-
	3,063.00									
	3,135.00	3,135.00		3,135.00						
-	6,198.00	3,135.00	-	3,135.00	-	-	-	-	-	-
-	3,187,168.85	3,132,109.35	-	3,132,109.35	-	-	(240,348.01)	-	-	-
-	\$ 7,043,117.25	\$ 8,512,407.00	-	\$ 8,512,407.00	-	\$ (0.99)	\$ 905.35	\$ (7,639,683.07)	\$ 4,125,680.20	-

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2022

State Grantor/ Program Title	State Project Number	Award Amount	Required Match	Grant Period		Balance June 30, 2021	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	21-495-034-5120-078	\$ 21,895,341.00	N/A	7-1-20	6-30-21	\$ (2,123,739.61)	
Equalization Aid	22-495-034-5120-078	22,928,471.00	N/A	7-1-21	6-30-22		
Categorical Special Education Aid	21-495-034-5120-089	1,996,732.00	N/A	7-1-20	6-30-21	(193,673.12)	
Categorical Special Education Aid	22-495-034-5120-089	1,996,732.00	N/A	7-1-21	6-30-22		
Categorical Security Aid	21-495-034-5120-084	739,882.00	N/A	7-1-20	6-30-21	(71,764.89)	
Categorical Security Aid	22-495-034-5120-084	739,882.00	N/A	7-1-21	6-30-22		
Total State Aid - Public						(2,389,177.62)	-
State Aid - Transportation:							
Categorical Transportation Aid	21-495-034-5120-014	1,088,704.00	N/A	7-1-20	6-30-21	(105,598.89)	
Categorical Transportation Aid	22-495-034-5120-014	1,088,704.00	N/A	7-1-21	6-30-22		
Additional Non-Public Transportation Aid	21-495-034-5120-014	52,695.00	N/A	7-1-20	6-30-21	(52,695.00)	
Additional Non-Public Transportation Aid	22-495-034-5120-014	38,594.00	N/A	7-1-21	6-30-22		
Total State Aid - Transportation						(158,293.89)	-
Extraordinary Aid							
Extraordinary Aid	21-495-034-5120-044	958,187.00	N/A	7-1-20	6-30-21	(958,187.00)	
Extraordinary Aid	22-495-034-5120-044	922,527.00	N/A	7-1-21	6-30-22		
Total Extraordinary Aid						(958,187.00)	-
Homeless Tuition Aid							
Homeless Tuition Aid	21-495-034-5120-005	29,391.00	N/A	7-1-20	6-30-21	(29,391.00)	
Homeless Tuition Aid	22-495-034-5120-005	62,993.00	N/A	7-1-21	6-30-22		
Total Homeless Tuition Aid						(29,391.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	2,016,319.59	N/A	7-1-20	6-30-21	(100,437.50)	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	2,050,555.53	N/A	7-1-21	6-30-22		
Total Reimbursed TPAF Social Security Contributions						(100,437.50)	-
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions -							
Post-Retirement Medical (non-budgeted)	22-495-034-5094-001	2,411,372.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Pension Contributions - Normal							
Cost (non-budgeted)	22-495-034-5094-002	10,177,282.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Non-contributory Insurance	22-495-034-5094-004	143,587.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term							
Disability Insurance (non-budgeted)	22-495-034-5094-004	3,013.00	N/A	7-1-21	6-30-22		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(3,635,487.01)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services	21-100-034-5120-070	56,304.00	N/A	7-1-20	6-30-21		\$ 70.00
Nursing Services	22-100-034-5120-070	59,024.00	N/A	7-1-21	6-30-22		
Textbook Aid (Ch. 194)	21-100-034-5120-064	33,722.00	N/A	7-1-20	6-30-21		3,403.00
Textbook Aid (Ch. 194)	22-100-034-5120-064	31,631.00	N/A	7-1-21	6-30-22		
Technology	22-100-034-5120-373	22,134.00	N/A	7-1-21	6-30-22		7,849.00
Security	21-100-034-5120-509	113,750.00	N/A	7-1-20	6-30-21		
Security	22-100-034-5120-509	110,425.00	N/A	7-1-21	6-30-22		
Auxiliary Services (Ch. 192)							
Compensatory Education	21-100-034-5120-067	113,218.00	N/A	7-1-20	6-30-21		32,854.00
Compensatory Education	22-100-034-5120-067	101,225.00	N/A	7-1-21	6-30-22		
Handicapped Services (Ch. 193)							
Corrective Speech	22-100-034-5120-066	16,740.00	N/A	7-1-21	6-30-22		
Supplementary Instruction	21-100-034-5120-066	46,140.00	N/A	7-1-20	6-30-21		732.00
Supplementary Instruction	22-100-034-5120-066	59,472.00	N/A	7-1-21	6-30-22		
Examination and Classification	22-100-034-5120-066	45,717.00	N/A	7-1-21	6-30-22		
Total Nonpublic Aid:						-	44,908.00
Preschool Education Aid							
Preschool Education Aid	21-495-034-5120-086	3,367,635.00	N/A	7-1-20	6-30-21	(336,763.50)	
Preschool Education Aid	22-495-034-5120-086	3,606,270.00	N/A	7-1-21	6-30-22		
Preschool Expansion Education Aid	19-495-034-5120-086	623,988.00	N/A	7-1-18	6-30-19	98,355.83	
Total Preschool Education Aid						(238,407.67)	-
SDA Emergent Needs Grant	Unknown	74,160.00	N/A	7-1-21	6-30-22	-	-
Total Special Revenue Fund						(238,407.67)	44,908.00
Debt Service Fund:							
New Jersey Department of Education:							
School Construction Debt Service Aid	22-495-034-5120-075	75,367.00	N/A	7-1-21	6-30-22	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Aid	22-100-010-3350-023	41,652.26	N/A	7-1-21	6-30-22	-	-
Total State Financial Assistance						\$ (3,873,894.68)	\$ 44,908.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions -							
Post-Retirement Medical (non-budgeted)	22-495-034-5094-001	2,411,372.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Pension Contributions - Normal							
Cost (non-budgeted)	22-495-034-5094-002	10,177,282.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Non-contributory Insurance	22-495-034-5094-004	143,587.00	N/A	7-1-21	6-30-22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term							
Disability Insurance (non-budgeted)	22-495-034-5094-004	3,013.00	N/A	7-1-21	6-30-22		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total State Financial Assistance subject to Major Program Determination for State Single Auc							

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

Cash Received	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
					Accounts Receivable	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 2,123,739.61									
20,693,929.30	\$ 22,928,471.00				\$ (2,234,541.70)			\$ (2,234,541.70)	\$ 22,928,471.00
193,673.12									
1,802,136.34	1,996,732.00				(194,595.66)			(194,595.66)	1,996,732.00
71,764.89									
667,775.27	739,882.00				(72,106.73)			(72,106.73)	739,882.00
<u>25,553,018.53</u>	<u>25,665,085.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,501,244.09)</u>	<u>-</u>	<u>-</u>	<u>(2,501,244.09)</u>	<u>25,665,085.00</u>
105,598.89									
982,602.09	1,088,704.00				(106,101.91)			(106,101.91)	1,088,704.00
52,695.00									
	38,594.00				(38,594.00)				38,594.00
<u>1,140,895.98</u>	<u>1,127,298.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(144,695.91)</u>	<u>-</u>	<u>-</u>	<u>(106,101.91)</u>	<u>1,127,298.00</u>
958,187.00									
	922,527.00				(922,527.00)				922,527.00
<u>958,187.00</u>	<u>922,527.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(922,527.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,527.00</u>
29,391.00									
	62,993.00				(62,993.00)				62,993.00
<u>29,391.00</u>	<u>62,993.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,993.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,993.00</u>
100,437.50									
1,948,564.39	2,050,555.53				(101,991.14)				2,050,555.53
<u>2,049,001.89</u>	<u>2,050,555.53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,991.14)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050,555.53</u>
2,411,372.00	2,411,372.00								2,411,372.00
10,177,282.00	10,177,282.00								10,177,282.00
143,587.00	143,587.00								143,587.00
<u>3,013.00</u>	<u>3,013.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,013.00</u>
12,735,254.00	12,735,254.00								12,735,254.00
<u>42,465,748.40</u>	<u>42,563,712.53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,733,451.14)</u>	<u>-</u>	<u>-</u>	<u>(2,607,346.00)</u>	<u>42,563,712.53</u>
59,024.00	57,860.10		\$ 0.10	\$ 70.00			\$ 1,164.00		57,860.10
31,631.00	27,106.87		(0.13)	3,403.00			4,524.00		27,106.87
22,134.00	20,988.88		(0.12)				1,145.00		20,988.88
110,425.00	102,458.96		(0.04)	7,849.00			7,966.00		102,458.96
101,225.00	84,794.92		(0.08)	32,854.00			16,430.00		84,794.92
16,740.00	12,615.00						4,125.00		12,615.00
59,472.00	56,451.41		0.41	732.00			3,021.00		56,451.41
45,717.00	45,717.00								45,717.00
<u>446,368.00</u>	<u>407,993.14</u>	<u>-</u>	<u>0.14</u>	<u>44,908.00</u>	<u>-</u>	<u>-</u>	<u>38,375.00</u>	<u>-</u>	<u>407,993.14</u>
336,763.50									
3,245,643.00	4,003,530.00		397,260.00		(360,627.00)	\$ 98,356.00		(360,627.00)	4,003,530.00
			0.17						525,632.17
<u>3,582,406.50</u>	<u>4,003,530.00</u>	<u>-</u>	<u>397,260.17</u>	<u>-</u>	<u>(360,627.00)</u>	<u>98,356.00</u>	<u>-</u>	<u>(360,627.00)</u>	<u>4,529,162.17</u>
74,160.00	74,160.00								-
<u>4,102,934.50</u>	<u>4,485,683.14</u>	<u>-</u>	<u>397,260.31</u>	<u>44,908.00</u>	<u>(360,627.00)</u>	<u>98,356.00</u>	<u>38,375.00</u>	<u>(360,627.00)</u>	<u>4,937,155.31</u>
75,367.00	75,367.00								75,367.00
38,151.03	41,652.26				(3,501.23)				41,652.26
<u>\$ 46,682,200.93</u>	<u>47,166,414.93</u>	<u>-</u>	<u>\$ 397,260.31</u>	<u>\$ 44,908.00</u>	<u>\$ (4,097,579.37)</u>	<u>\$ 98,356.00</u>	<u>\$ 38,375.00</u>	<u>\$ (2,967,973.00)</u>	<u>\$ 47,617,887.10</u>

2,411,372.00
10,177,282.00
143,587.00
3,013.00
12,735,254.00
\$ 34,431,160.93

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$112,569.50) for the general fund and (\$321,851.20) 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	\$ 602,518.46	\$ 42,451,143.03	\$ 43,053,661.49
Special Revenue	4,642,770.37	4,397,196.76	9,039,967.13
Debt Service		75,367.00	75,367.00
Food Service	<u>3,132,109.35</u>	<u>41,652.26</u>	<u>3,173,761.61</u>
GAAP Basis Revenues	<u>8,377,398.18</u>	<u>46,965,359.05</u>	<u>55,342,757.23</u>
GAAP Adjustments:			
State Aid Payments		136,433.00	136,433.00
Encumbrances	<u>135,008.82</u>	<u>64,622.88</u>	<u>199,631.70</u>
	<u>135,008.82</u>	<u>299,411.88</u>	<u>434,420.70</u>
Total Awards and Financial Assistance Expended	<u>\$ 8,512,407.00</u>	<u>\$ 47,264,770.93</u>	<u>\$ 55,777,177.93</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 transfer of general funds for Preschool Education Aid, cancellation of unspent grant balances and minor rounding differences.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2022, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: ANNUAL SCHOOL PLAN FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	<u>\$ 643,962.00</u>

Note 9: MAJOR PROGRAMS

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Elementary and Secondary School Emergency Relief Fund:
<u>84.425D</u>	<u>S425D200027</u>	<u>ESSER I</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>ESSER II</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER II</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning Coach & Educator Support</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Evidence Based Summer Learning & Enrichment</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Evidence Based Comprehensive Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - NJTSS Mental Health Support Staff</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>ARP - Homeless II</u>
<u>93.778</u>	<u>2005NJ5MAP</u>	<u>Special Education Medicaid Initiative</u>
<u>93.778</u>	<u>2005NJ5MAP</u>	<u>Medicaid Administrative Claiming Aid</u>
<u>84.027A</u>	<u>H027A200100</u>	<u>Special Education Grants to States (IDEA Basic)</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>American Rescue Plan - IDEA Basic</u>
<u>84.173A</u>	<u>H173A200114</u>	<u>Special Educaiton Preschool Grants (IDEA Preschool)</u>
<u>84.173X</u>	<u>H173X210114</u>	<u>American Rescue Plan - IDEA Preschool</u>

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

Auditee qualified as low-risk auditee? X yes no

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

GMS Number(s)

Name of State Program

495-034-5120-078	Equalization Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-084	Categorical Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 1,032,935.00

Auditee qualified as low-risk auditee? yes no

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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. 2022-001

Criteria or Specific Requirement

CFR Section 210.14 Resource Management (b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount may be approved by the State agency in accordance with CFR Section 210.19(a).

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$402,679.01.

Context

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2022 was \$1,208,030.94 and its three months average expenditures was \$805,351.93, resulting in an overage of \$402,679.01.

Effect or Potential Effect

The School District is not in compliance with CFR section 210.14 and requirements as prescribed the Office of School Finance, Department of Education, State of New Jersey Audit Program.

Cause

The School District's Food Service Fund revenues increased more than anticipated.

Recommendation

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

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

None

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

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None