

**GREAT MEADOWS REGIONAL  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2022**

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



Certified Public Accountants, PC

**GREAT MEADOWS REGIONAL  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2022**

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# GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74  
Great Meadows, New Jersey 07838

MICHAEL MAI  
Superintendent

ANGELA MOYER  
Interim Business Administrator  
Board Secretary

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

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

March 14, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Great Meadows Regional School District for the fiscal year ended June 30, 2022, is hereby submitted. Great Meadows Regional School District is a K-8 regional district. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Great Meadows Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1) REPORTING ENTITY AND ITS SERVICES:**

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

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

The following details the changes in the total student enrollment of the District as well as that of each building over the last ten years:

**Average Daily Enrollment**

Fiscal Year	Student Enrollment			Total District	Percent Change
	Central	Liberty	Middle		
2021-22	296.5	-	335.3	631.8	3.12
2020-21	283.0	-	329.8	612.8	-3.02
2019-20	286.6	-	345.2	631.8	-3.02
2018-19	210.0	199.7	241.8	651.5	-5.89
2017-18	220.3	207.2	264.9	692.3	-3.01
2016-17	219.6	219.2	275.1	713.8	0.04
2015-16	198.0	233.2	279.5	710.7	-7.00
2014-15	203.0	259.0	298.3	760.3	-6.00
2013-14	224.6	285.3	293.0	803.0	-5.09
2012-13	232.7	291.7	321.7	846.1	-2.82

**2) ECONOMIC CONDITION AND OUTLOOK:**

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

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

### **3) MAJOR INITIATIVES:**

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

Goals for the future include:

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

### **4) INTERNAL ACCOUNTING CONTROLS:**

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

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

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

### **5) BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.



**6) ACCOUNTING SYSTEM AND REPORTS:**

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

**7) DEBT ADMINISTRATION:**

At June 30, 2022, the District's outstanding debt issue is \$1,540,000.

**8) CASH MANAGEMENT:**

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

**9) RISK MANAGEMENT:**

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

**10) OTHER INFORMATION:**

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

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

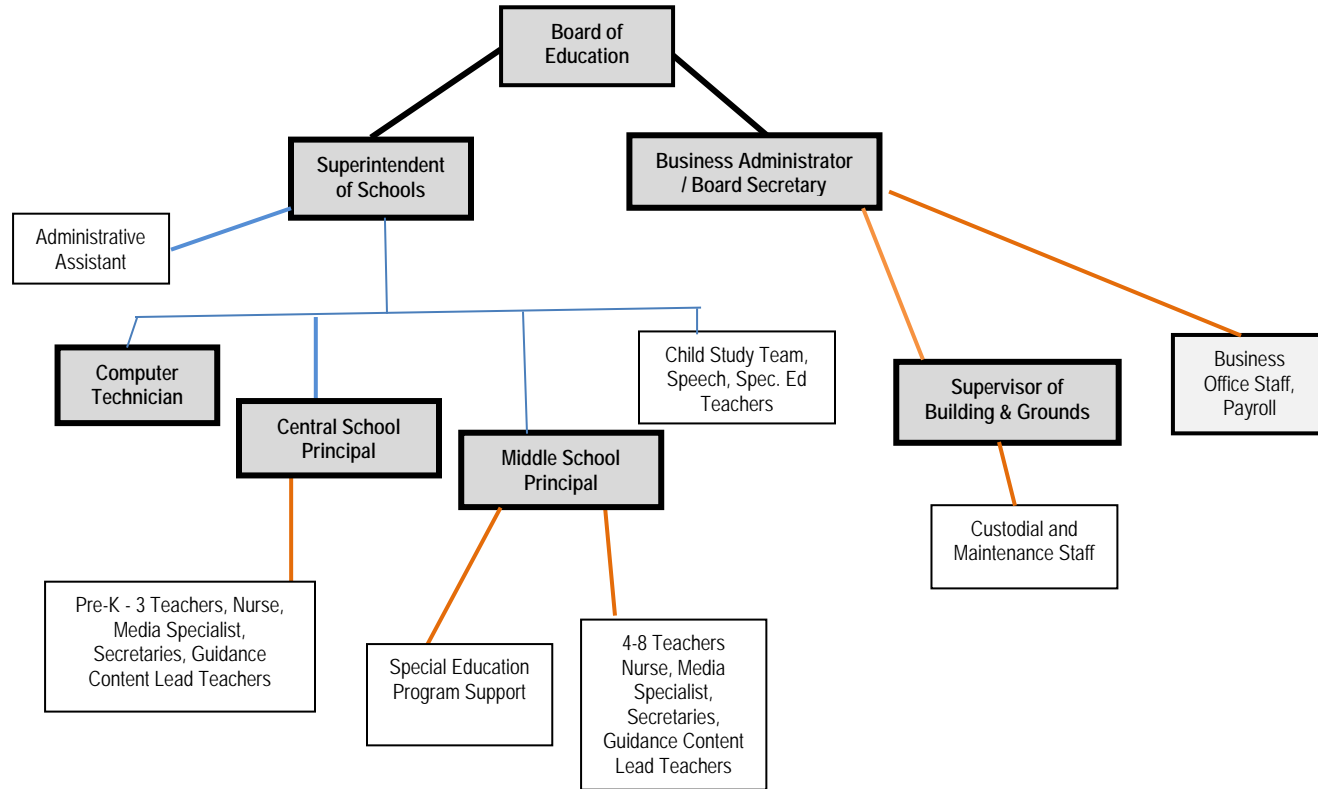


Michael Mai  
Superintendent  
Secretary



Angela Moyer  
Interim Business Administrator/Board

# Organizational Chart



Great Meadows Public Schools  
2021-2022

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**273 US-46**  
**Great Meadows, NJ 07838**  
**June 30, 2022**

**Roster of Officials**

<b>Members of the Board of Education</b>	<b>Title</b>	<b>Term Expires</b>
Courtney Wenthien	President	2024
Heather Wulf	Vice President	2023
Adam DeSimone		2022
Amber Gratacos		2022
Lisa Green		2022
Daria Hill		2022
Allyson Morgan		2023
Susan Deeney		2024
Shannon Schaaf		2024

<b>Other Officials</b>	<b>Title</b>
Michael Mai	Superintendent
Abigal Postma	Board Secretary/School Business Administrator
Paula Hatch	Treasurer
Ari Schneider, Esq	Attorney

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**273 US-46**  
**Great Meadows, NJ 07838**  
**June 30, 2022**

**Consultants and Advisors**

**ATTORNEY**

Busch Law Group LLC  
450 Main Street  
Metuchen, NJ 08840

**ARCHITECT**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, NJ 07866

**AUDIT FIRM**

BKC, CPAs, PC  
39 State Route 12, Ste 2  
Flemington, NJ 08822

**FISCAL AGENT**

Depository Trust  
55 Water Street, 50th Floor  
New York, NY 10041

First Hope Bank  
Route 519  
Hope, New Jersey 07844

**OFFICIAL DEPOSITORIES**

First Hope Bank  
Route 519  
Hope, New Jersey 07844



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## Independent Auditors' Report

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

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 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 opinion.

#### Responsibilities of Management for the Financial Statements

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

#### Auditors' 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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion 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 District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**BKC, CPAs, PC**



Michael Holk, CPA, PSA  
NO. 20CS00265600

March 14, 2023  
Flemington, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter and the District's financial statements.

**Financial Highlights**

- In total, net position increased \$2,474,018, which represents a 35.09% increase from 2021.
- General revenues accounted for \$25,231,927 in revenue, or 96.42% of all revenues. Program specific revenues in the form of charges for services and operating grants were \$937,522 or 3.58% to total revenues of \$26,169,449.
- Total assets of governmental activities increased by \$745,720 as cash and cash equivalents increased by \$1,487,889, receivables decreased by \$70,407, and capital assets decreased by \$671,762.
- The School District had \$23,695,431 in expenses; only \$937,522 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$25,231,927 were adequate to provide for these programs.
- Among major funds, the general fund had \$22,253,618 in revenues and \$20,723,628 in expenditures. The general fund balance increased by \$1,529,990 from fiscal year 2021.

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

**Using This Annual Comprehensive Financial Report (ACFR)**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

Our analysis of the District, as a whole, begins with the Statement of Net Position and Statement of Activities. One of the most important questions asked about the District's finances, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about the activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**Governmental Funds**

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

**Proprietary Funds**

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

**The District as Trustee**

**Reporting the District's Fiduciary Responsibilities**

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

**The School District as a Whole**

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

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

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Table 1 provides a summary of the District's net position at June 30, 2022 with comparisons to June 30, 2021.

	<b>Table 1</b>		<b>Net Position</b>	
	<u>06/30/22</u>	<u>06/30/21</u>	<u>Variance</u>	
			Dollars	%
<b>Assets</b>				
Current & other assets	\$ 5,578,138	\$ 4,106,637	\$ 1,471,501	35.83%
Capital assets	10,098,175	10,335,433	(237,258)	-2.30%
<b>Total assets</b>	<u>15,676,313</u>	<u>14,442,070</u>	<u>1,234,243</u>	<u>8.55%</u>
<b>Deferred outflows of resources</b>				
Deferred amount on pension activity	<u>317,112</u>	<u>565,362</u>	<u>(248,250)</u>	<u>-43.91%</u>
<b>Liabilities</b>				
Long-term liabilities	4,975,177	6,530,162	(1,554,985)	-23.81%
Other liabilities	<u>162,794</u>	<u>304,405</u>	<u>(141,611)</u>	<u>-46.52%</u>
<b>Total liabilities</b>	<u>5,137,971</u>	<u>6,834,567</u>	<u>(1,696,596)</u>	<u>-24.82%</u>
<b>Deferred inflows of resources</b>				
Deferred amount on pension activity	<u>1,330,340</u>	<u>1,121,769</u>	<u>208,571</u>	<u>18.59%</u>
<b>Net position</b>				
Net investment in capital assets	7,030,181	6,624,350	405,831	6.13%
Restricted	4,064,681	3,092,912	971,769	31.42%
Unrestricted	<u>(1,569,748)</u>	<u>(2,666,166)</u>	<u>1,096,418</u>	<u>41.12%</u>
<b>Total net position</b>	<u>\$ 9,525,114</u>	<u>\$ 7,051,096</u>	<u>\$ 2,474,018</u>	<u>35.09%</u>

The net position of the District's activities increased by 35.09%. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased by \$1,096,418 or 41.12%. Restricted net position, those restricted mainly for capital projects increased by \$971,769 or 31.42%. The net investment in capital assets increased by \$405,831 or 6.13%.

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

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Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2022 with comparisons to fiscal year June 30, 2021.

**Table 2**  
**Changes in Net Position**

	06/30/22	06/30/21	Variance	
			Dollars	%
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 148,347	\$ 127,728	\$ 20,619	16.14%
Operating grants	789,175	493,920	295,255	59.78%
General revenues				
Property taxes	15,704,009	15,346,964	357,045	2.33%
Unrestricted grants	9,484,708	11,484,998	(2,000,290)	-17.42%
Other	43,210	32,721	10,489	32.06%
<b>Total revenues</b>	<u>26,169,449</u>	<u>27,486,331</u>	<u>(1,316,882)</u>	<u>-4.79%</u>
<b>Program expenses</b>				
Instruction				
Regular	6,893,984	5,970,776	923,208	15.46%
Special	3,351,482	3,605,520	(254,038)	-7.05%
Other	681,973	624,559	57,414	9.19%
Support services				
Tuition	5,595,282	5,689,668	(94,386)	-1.66%
Student & instructional staff	2,801,770	3,053,931	(252,161)	-8.26%
General & business administration	734,601	1,697,040	(962,439)	-56.71%
School administration	610,910	645,414	(34,504)	-5.35%
Maintenance	1,081,928	2,396,109	(1,314,181)	-54.85%
Transportation	1,531,998	1,090,336	441,662	40.51%
Charter schools	128,035	151,690	(23,655)	-15.59%
Food service	210,263	95,300	114,963	120.63%
Interest on long-term debt	73,205	87,222	(14,017)	-16.07%
<b>Total expenses</b>	<u>23,695,431</u>	<u>25,107,565</u>	<u>(1,412,134)</u>	<u>-5.62%</u>
<b>Change in net position</b>	<u>\$ 2,474,018</u>	<u>\$ 2,378,766</u>	<u>\$ 95,252</u>	<u>4.00%</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 60.66% of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2022. The District's total governmental revenues were \$25,887,040 for the fiscal year ended June 30, 2022.

The total cost of all program expenses and services for governmental activities was \$23,485,168.

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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services in fiscal year ending June 30, 2022 and fiscal year ending June 30, 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/22	06/30/21	06/30/22	06/30/21
Instruction	\$ 10,927,439	\$ 10,200,855	\$ 10,623,962	\$ 9,996,376
Support services				
Tuition	5,595,282	5,689,668	5,417,495	5,524,464
Student & instructional staff	2,801,770	3,053,931	2,636,855	2,911,610
General & business				
administration	734,601	1,697,040	734,601	1,697,040
School administration	610,910	645,414	610,910	645,414
Plant operations & maintenance	1,081,928	2,396,109	1,075,828	2,396,109
Pupil transportation	1,531,998	1,090,336	1,529,164	1,090,156
Charter schools	128,035	151,690	128,035	151,690
Food service	210,263	95,300	(72,146)	(14,164)
Interest on long-term debt	73,205	87,222	73,205	87,222
Total expenses	<u>\$ 23,695,431</u>	<u>\$ 25,107,565</u>	<u>\$ 22,757,909</u>	<u>\$ 24,485,917</u>

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

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

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

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

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

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



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

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

**The School District's Funds**

All governmental funds, which are comprised of the general fund, special revenue fund, capital projects fund, and debt service fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,411,897, and expenditures were \$21,881,096. The net increase in fund balance was most significant in the general fund.

**General Fund Budgeting Highlights**

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

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

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

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

During the course of the 2022 fiscal year, the District amended its general fund budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the general fund, budgetary basis revenues were \$19,295,595, which was \$149,450 above the original budget estimates of \$19,146,145. General fund revenues and other financing sources were more than expenditures and other financing uses by \$1,426,476.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
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**Capital Assets**

At the end of the fiscal year 2022, the School District had \$10,098,175 invested in land, buildings, furniture and equipment, vehicles, and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2022 with comparisons to June 30, 2021.

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

	06/30/22	06/30/21	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653	\$ -	0.00%
Construction in progress	14,888	1,126,675	(1,111,787)	-98.68%
Land improvements	213,965	229,483	(15,518)	-6.76%
Buildings & improvements	9,570,482	8,709,926	860,556	9.88%
Furniture & equipment	139,187	109,696	29,491	26.88%
Total	<u>\$ 10,098,175</u>	<u>\$ 10,335,433</u>	<u>\$ (237,258)</u>	<u>-2.30%</u>

Overall capital assets decreased \$237,258 from fiscal year 2021 to fiscal year 2022. This is attributable to an increase in depreciation expense.

**Long-term Liabilities and Debt**

At year end, the District had total long-term liabilities of \$4,975,177 outstanding as compared to \$6,530,162 in the previous year, a decrease of 23.81% as shown in Table 5.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2022 with comparisons to June 30, 2021.

**Table 5**  
**Long-term Liabilities at Year End**

	06/30/22	06/30/21	Variance	
			Dollars	%
2008 Refunding Bonds	\$ 1,540,000	\$ 2,045,000	\$ (505,000)	-24.69%
Premium on Bonds	98,129	137,380	(39,251)	-28.57%
Compensated Absences	177,899	158,589	19,310	12.18%
PERS Net Pension Liability	1,631,155	2,523,110	(891,955)	-35.35%
Capital Leases Payable	1,527,994	1,666,083	(138,089)	-8.29%
Total	<u>\$ 4,975,177</u>	<u>\$ 6,530,162</u>	<u>\$ (1,554,985)</u>	<u>-23.81%</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
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The general obligation bonded debt of the District is limited by State law to 3 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2022 is \$27,081,520. General obligation debt authorized and outstanding at June 30, 2022 is \$1,540,000 resulting in a legal debt margin of \$25,541,520.

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

**Factors Bearing on the District's Future**

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

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
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**Unaudited**

**Contacting the School District's Financial Management**

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,568,588	\$ 101,654	\$ 1,670,242
Receivables, net	314,398	16,973	331,371
Due from other funds	-	3,394	3,394
Inventory	-	8,450	8,450
<b>Restricted assets</b>			
Capital reserve account - cash	2,450,698	-	2,450,698
Emergency reserve account - cash	250,000	-	250,000
Maintenance reserve account - cash	834,068	-	834,068
Student activities - cash	29,915	-	29,915
<b>Capital assets, net</b>			
Land and construction in progress	174,541	-	174,541
Other capital assets, net of depreciation and amortization	9,923,634	-	9,923,634
<b>Total assets</b>	<b>15,545,842</b>	<b>130,471</b>	<b>15,676,313</b>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	317,112	-	317,112
<b>Liabilities</b>			
Accounts payable	86,065	12,736	98,801
Accrued interest	38,263	-	38,263
Payroll deductions and withholding payable	15,397	-	15,397
Unearned revenue	905	6,034	6,939
Due to other funds, net	3,394	-	3,394
<b>Long-term liabilities</b>			
Due within one year	681,339	-	681,339
Due beyond one year	4,293,838	-	4,293,838
<b>Total liabilities</b>	<b>5,119,201</b>	<b>18,770</b>	<b>5,137,971</b>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	1,330,340	-	1,330,340

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position (continued)**  
**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 7,030,181	\$ -	\$ 7,030,181
Restricted for			
Capital reserve	2,450,698	-	2,450,698
Emergency reserve	250,000	-	250,000
Maintenance reserve	834,068	-	834,068
Student activities	29,915	-	29,915
Tuition reserve	500,000	-	500,000
Unrestricted	(1,681,449)	111,701	(1,569,748)
 Total net position	 \$ 9,413,413	 \$ 111,701	 \$ 9,525,114

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Statement of Activities**  
**June 30, 2022**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,183,446	\$ 3,710,538	\$ 49,920	\$ 110,309	\$ -	\$ (6,733,755)	\$ -	\$ (6,733,755)
Special education	1,518,804	1,832,678	30,880	21,858	-	(3,298,744)	-	(3,298,744)
Other special instruction	332,622	256,409	-	90,510	-	(498,521)	-	(498,521)
Other instruction	86,652	6,290	-	-	-	(92,942)	-	(92,942)
Support services								
Tuition	5,595,282	-	-	177,787	-	(5,417,495)	-	(5,417,495)
Students and instruction related services	1,567,634	1,234,136	32,100	132,815	-	(2,636,855)	-	(2,636,855)
General and business administration services	523,088	211,513	-	-	-	(734,601)	-	(734,601)
School administration services	321,705	289,205	-	-	-	(610,910)	-	(610,910)
Plant operations and maintenance	993,194	88,734	6,100	-	-	(1,075,828)	-	(1,075,828)
Pupil transportation	1,531,998	-	2,834	-	-	(1,529,164)	-	(1,529,164)
Transfer to charter schools	128,035	-	-	-	-	(128,035)	-	(128,035)
Interest on long-term debt	73,205	-	-	-	-	(73,205)	-	(73,205)
Total governmental activities	<u>15,855,665</u>	<u>7,629,503</u>	<u>121,834</u>	<u>533,279</u>	<u>-</u>	<u>(22,830,055)</u>	<u>-</u>	<u>(22,830,055)</u>
Business-type activities								
Food service	210,263	-	26,513	255,896	-	-	72,146	72,146
Total business-type activities	<u>210,263</u>	<u>-</u>	<u>26,513</u>	<u>255,896</u>	<u>-</u>	<u>-</u>	<u>72,146</u>	<u>72,146</u>
Total primary government	<u>\$ 16,065,928</u>	<u>\$ 7,629,503</u>	<u>\$ 148,347</u>	<u>\$ 789,175</u>	<u>\$ -</u>	<u>(22,830,055)</u>	<u>72,146</u>	<u>(22,757,909)</u>
			General revenues, special items and transfers					
						15,267,127	-	15,267,127
						436,882	-	436,882
						9,484,708	-	9,484,708
						15,985	-	15,985
						27,225	-	27,225
						<u>25,231,927</u>	<u>-</u>	<u>25,231,927</u>
						2,401,872	-	2,401,872
						7,011,541	39,555	7,051,096
						<u>\$ 9,413,413</u>	<u>\$ 111,701</u>	<u>\$ 9,525,114</u>

See accompanying notes to financial statements.



## **FUND FINANCIAL STATEMENTS**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,568,588	\$ -	\$ -	\$ -	\$ 1,568,588
Due from other funds	33,812	-	-	-	33,812
Receivables from other governments					
Federal	-	38,118	-	-	38,118
State	240,607	-	-	-	240,607
Local	15,887	701	-	-	16,588
Other accounts receivable	19,085	-	-	-	19,085
Restricted cash and equivalents	3,534,766	29,915	-	-	3,564,681
<b>Total assets</b>	<b>\$ 5,412,745</b>	<b>\$ 68,734</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,481,479</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ 3,394	\$ 33,812	\$ -	\$ -	\$ 37,206
Accounts payable	81,963	4,102	-	-	86,065
Payroll deductions and withholdings payable	15,397	-	-	-	15,397
Unearned revenue	-	905	-	-	905
<b>Total liabilities</b>	<b>100,754</b>	<b>38,819</b>	<b>-</b>	<b>-</b>	<b>139,573</b>

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Capital reserve	\$ 2,450,698	\$ -	\$ -	\$ -	\$ 2,450,698
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	834,068	-	-	-	834,068
Tuition reserve					
Year 2020 - 2021	250,000	-	-	-	250,000
Year 2021 - 2022	250,000	-	-	-	250,000
Student activities	-	29,915	-	-	29,915
Committed fund balance					
Year-end encumbrances	523,699	-	-	-	523,699
Assigned					
Designated for subsequent year's expenditures	192,363	-	-	-	192,363
Unassigned fund balance	561,163	-	-	-	561,163
Total fund balances	<u>5,311,991</u>	<u>29,915</u>	<u>-</u>	<u>-</u>	<u>5,341,906</u>
Total liabilities and fund balances	<u>\$ 5,412,745</u>	<u>\$ 68,734</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$22,687,776 and the accumulated depreciation is \$12,589,601.	10,098,175
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(1,013,228)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,975,177)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(38,263)</u>
Total net position of governmental activities	<u>\$ 9,413,413</u>

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 15,267,127	\$ -	\$ -	\$ 436,882	\$ 15,704,009
Tuition from individuals	49,920	-	-	-	49,920
Tuition fees from other LEA's	30,880	-	-	-	30,880
Transportation - other LEA's	2,834	-	-	-	2,834
Rents and royalties	2,225	-	-	-	2,225
Interest on investments	15,985	-	-	-	15,985
Miscellaneous	25,000	38,830	-	-	63,830
Total local sources	15,393,971	38,830	-	436,882	15,869,683
State sources	6,859,647	14,698	-	149,918	7,024,263
Federal sources	-	517,951	-	-	517,951
Total revenues	22,253,618	571,479	-	586,800	23,411,897
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	3,145,668	37,778	-	-	3,183,446
Special education instruction	1,496,946	21,858	-	-	1,518,804
Other special instruction	242,112	90,510	-	-	332,622
Other instruction	86,652	-	-	-	86,652
Support service and undistributed costs					
Tuition	5,417,495	177,787	-	-	5,595,282
Student and instruction related services	1,411,320	156,314	-	-	1,567,634
General and business administrative services	523,088	-	-	-	523,088
School administrative services	321,705	-	-	-	321,705
Plant operations and maintenance	1,163,743	6,100	-	-	1,169,843
Pupil transportation	1,531,998	-	-	-	1,531,998
Unallocated benefits	4,983,635	7,790	-	-	4,991,425

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 268,970	\$ 72,531	\$ -	\$ -	\$ 341,501
Transfer to charter schools	128,035	-	-	-	128,035
Debt service					
Principal	-	-	-	505,000	505,000
Interest and other charges	2,261	-	-	81,800	84,061
Total expenditures	<u>20,723,628</u>	<u>570,668</u>	<u>-</u>	<u>586,800</u>	<u>21,881,096</u>
Excess (deficiency) of revenues over (under) expenditures	1,529,990	811	-	-	1,530,801
Fund balances, July 1	<u>3,782,001</u>	<u>29,104</u>	<u>-</u>	<u>-</u>	<u>3,811,105</u>
Fund balances, June 30	<u><u>\$ 5,311,991</u></u>	<u><u>\$ 29,915</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,341,906</u></u>

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**

Total net changes in fund balances - governmental fund (from B-2)	\$	1,530,801
<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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlays	\$ 341,501	
Depreciation expense	<u>(578,759)</u>	(237,258)
<p>Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:</p>		
Bond principal payments	505,000	
Lease payments	<u>138,089</u>	643,089
<p>Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:</p>		
Amortization of bond premium		39,251
<p>Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		435,134
<p>In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		10,165
<p>In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>(19,310)</u>
Change in net position of governmental activities	\$	<u><u>2,401,872</u></u>

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2022**

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 101,654
Receivables from other governments	
State	374
Federal	16,599
Due from other funds	3,394
Inventory	8,450
Total current assets	<u>130,471</u>
Noncurrent assets	
Capital assets	286,561
Less: accumulated depreciation	<u>286,561</u>
Total noncurrent assets	<u>-</u>
Total assets	<u>130,471</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,299
Unearned revenues - prepaid sales	4,735
Accounts payable	<u>12,736</u>
Total liabilities	<u>18,770</u>
Net position	
Unrestricted	<u>111,701</u>
Total net position	<u><u>\$ 111,701</u></u>

See accompanying notes to financial statements.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Food Service Fund</u>
Operating revenues	
Charges for services	
Daily sales - nonreimbursable programs	\$ 26,513
Total operating revenues	<u>26,513</u>
 Operating expenses	
Cost of sales - reimbursable programs	60,403
Cost of sales - nonreimbursable programs	41,441
Commodity food costs	14,572
Salaries	61,024
Support services - employee benefits	8,711
Purchased professional/technical services	1,565
Other purchased services	
Insurance	9,256
Management fee	11,845
Supplies and materials	1,446
Total operating expenses	<u>210,263</u>
 Operating income (loss)	 <u>(183,750)</u>
 Non-operating revenues (expenses)	
State sources	
State school lunch program	5,140
Federal sources	
National school lunch program	
Cash Assistance	221,120
Non-cash assistance (commodities)	14,572
National school breakfast program	
Cash Assistance	13,822
P-EBT administrative	1,242
Total non-operating revenues (expenses)	<u>255,896</u>
 Change in net position	 72,146
 Net position, beginning	 <u>39,555</u>
 Net position, ending	 <u>\$ 111,701</u>

See accompanying notes to financial statements.



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 26,595
Payments to Food Service Management Company	<u>(214,156)</u>
Net cash provided by (used for) operating activities	<u>(187,561)</u>
 Cash flows from noncapital related financing activities	
State sources	5,698
Federal sources	232,704
Net interfund transactions	<u>41,040</u>
Net cash provided by (used for) noncapital financing activities	<u>279,442</u>
 Net increase (decrease) in cash and cash equivalents	91,881
 Cash and cash equivalents, beginning	<u>9,773</u>
 Cash and cash equivalents, ending	<u><u>\$ 101,654</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (183,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Federal food donation program	14,572
Increase (decrease) in accounts payable	(15,262)
(Increase) decrease in inventory	(256)
Increase (decrease) in unearned revenues	<u>(2,865)</u>
 Net cash provided by (used for) operating activities	<u><u>\$ (187,561)</u></u>

See accompanying notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Warren, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending/receiving relationship with Hackettstown school district for Grades 9-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2022 of 634 students.

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

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

The District did not utilize the capital projects fund during the fiscal year.

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary fund types (continued)

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

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

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

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

Equipment	12 Years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2021-2022 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

J. Capital assets

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

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

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

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

K. Compensated absences

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks. As of June 30, 2022, the District had no investments.

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

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

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

As of June 30, 2022, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$	250,000
Insured by GUDPA		5,378,320
Total bank balances	\$	<u>5,628,320</u>

Deposits at June 30, 2022 appear in the financial statements as summarized below:

Cash		<u>\$ 5,234,923</u>
	<u>Ref.</u>	
Unrestricted cash		
Government funds, Balance Sheet	B-1	\$ 1,568,588
Enterprise funds, Statement of Net Position	B-4	101,654
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>3,564,681</u>
Total cash		<u>\$ 5,234,923</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

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

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 159,653	\$ -	\$ -	\$ 159,653
Construction in progress	1,126,675	276,108	1,387,895	14,888
Total	<u>1,286,328</u>	<u>276,108</u>	<u>1,387,895</u>	<u>174,541</u>
Capital assets, being depreciated or amortized				
Land improvements	992,057	-	-	992,057
Building and improvements	19,580,373	1,387,895	-	20,968,268
Furniture and equipment	487,517	65,393	-	552,910
Total	<u>21,059,947</u>	<u>1,453,288</u>	<u>-</u>	<u>22,513,235</u>
Accumulated depreciation or amortization				
Land improvements	762,574	15,518	-	778,092
Building and improvements	10,870,447	527,339	-	11,397,786
Furniture and equipment	377,821	35,902	-	413,723
Total	<u>12,010,842</u>	<u>578,759</u>	<u>-</u>	<u>12,589,601</u>
Total capital assets, being depreciated or amortized, net	<u>9,049,105</u>	<u>874,529</u>	<u>-</u>	<u>9,923,634</u>
Transfers	<u>-</u>	<u>(1,387,895)</u>	<u>(1,387,895)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 10,335,433</u>	<u>\$ (237,258)</u>	<u>\$ -</u>	<u>\$ 10,098,175</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture and equipment	\$ 286,561	\$ -	\$ -	\$ 286,561
Less: accumulated depreciation or amortization	<u>286,561</u>	<u>-</u>	<u>-</u>	<u>286,561</u>
Business type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

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

Instruction			
Regular		\$	258,178
Special education			110,248
Other special instruction			24,145
Other instruction			6,290
Support services			
Student and instruction			113,793
General and business administration			37,970
School administration			23,352
Plant maintenance			4,783
Total depreciation expense, governmental activities		\$	<u>578,759</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 2,045,000	\$ -	\$ 505,000	\$ 1,540,000	\$ 495,000
Premium on bonds Compensated absences payable	137,380	-	39,251	98,129	39,251
PERS net pension liability	158,589	19,310	-	177,899	-
Leases payable	2,523,110	-	891,955	1,631,155	-
Total governmental activities long-term liabilities	<u>1,666,083</u>	<u>-</u>	<u>138,089</u>	<u>1,527,994</u>	<u>147,088</u>
	<u>\$ 6,530,162</u>	<u>\$ 19,310</u>	<u>\$ 1,574,295</u>	<u>\$ 4,975,177</u>	<u>\$ 681,339</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments are listed as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 495,000	\$ 61,600	\$ 556,600
2024	520,000	41,800	561,800
2025	525,000	21,000	546,000
Total	<u>\$ 1,540,000</u>	<u>\$ 124,400</u>	<u>\$ 1,664,400</u>



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2022, with their outstanding balances are comprised of the following individual issues:

\$3,600,000 - general obligation school refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning January 15, 2018 to January 15, 2025. \$ 1,540,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2022 is \$27,081,520. General obligation debt at June 30, 2022 is \$1,540,000, resulting in a legal debt margin of \$25,541,520.

*Leases Payable* - The District underwent renovations to all buildings and implementing an energy savings project. The energy system improvement plan was financed by a lease with an original issue of \$2,600,000 and an interest rate of 2.363%. The payments are due in semi-annual installments beginning September 20, 2015 to March 20, 2031. The annual requirements for the lease payable as of June 30, 2022, including interest payments are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 147,088	\$ 35,244	\$ 182,332
2024	156,484	31,714	188,198
2025	166,294	27,959	194,253
2026	176,536	23,969	200,505
2027	187,225	19,735	206,960
2028 - 2031	694,367	31,945	726,312
Total	<u>\$ 1,527,994</u>	<u>\$ 170,566</u>	<u>\$ 1,698,560</u>

Note 6 - Pension plans

Description of systems

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Allocation methodology and reconciliation to financial statements

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2021 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans

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

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2022 was 17.14% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2021:

Net pension liability	\$	1,631,155
Proportionate share		.0137690860%

Plan fiduciary net position as a percentage of the total pension liability	70.33%
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The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%

Investment rate of return	7.00%
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Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans

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

Collective net pension liability and actuarial information (continued)

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
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%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Discount rate (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2021 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	1,631,155
At a 1% lower rate (6.00%)		2,244,981
At a 1% higher rate (8.00%)		1,142,380

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2021 measurement date, the 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	\$ 25,725	\$ 11,677
Changes of assumptions	8,495	580,702
Net difference between projected and actual earnings on pension plan investments	-	429,689
Changes in proportion and differences between District contributions and proportionate share of contributions	121,640	308,272
District contributions subsequent to the measurement date	161,252	-
Total	<u>\$ 317,112</u>	<u>\$ 1,330,340</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) of \$161,252 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2021 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 45,942	\$ (20,217)	\$ 25,725
Changes of assumptions	81,853	(73,358)	8,495
Differences between expected and actual experience	86,242	(86,242)	-
Deferred inflows of resources			
Differences between expected and actual experience	(8,923)	(2,754)	(11,677)
Changes in assumptions	(1,056,450)	475,748	(580,702)
Difference between projected and actual earnings on pension plan investments	-	(429,689)	(429,689)
Net of deferred outflows	<u>\$ (851,336)</u>	<u>\$ (136,512)</u>	<u>\$ (987,848)</u>

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

Fiscal Year Ending June 30,

2022	\$ (384,882)
2023	(274,805)
2024	(187,370)
2025	(140,846)
2026	55
Total	<u>\$ (987,848)</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Pension expense

For the fiscal year ended June 30, 2022, the District recognized net pension expense (benefit) of (\$273,883), which represents the District's proportionate share of allocable plan pension expense of (\$222,749), plus the net amortization of deferred amounts from changes in proportion of (\$59,140), plus other adjustments to the net pension liability of \$8,006. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2021 measurement date are as follows:

Service cost	\$	96,058
Interest on total pension liability		377,477
Benefit changes		-
Member contributions		(78,151)
Administrative expense		1,366
Expected investment return net of investment expense		(205,936)
Pension expense related to specific liabilities of individual employers		(963)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		10,577
Changes of assumptions		(286,531)
Difference between projected and actual investment earnings on pension plan investments		(136,646)
Pension expense (benefit)	\$	(222,749)

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

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2021, the State’s pension contribution was less than the actuarial determined amount.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Special funding situation

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

During the State fiscal year ending June 30, 2021, the State of New Jersey contributed \$1,500,515 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2021 measurement date is as follows:

District proportionate share of net pension liability	\$ 38,176,196
Less: State proportionate share of net pension liability	13,560,190
Net pension liability	\$ 24,616,006
 Proportionate share	 .0512031405%
 Plan fiduciary net position as a percentage of the total pension liability	 35.52%

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

Actuarial assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.09%
Non-U.S. developed markets equity	12.50%	8.71%
Emerging markets equity	6.50%	10.96%
Private equity	12.00%	11.30%
Real assets	2.50%	7.40%
Real estate	7.50%	9.15%
High yield	2.00%	3.75%
Private credit	6.00%	7.60%
Investment grade credit	10.00%	1.68%
Cash equivalents	5.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2021 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	24,616,006
At a 1% lower rate (6.00%)		29,124,847
At a 1% higher rate (8.00%)		20,828,863

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

Service cost	\$	899,224
Interest on total pension liability		2,399,843
Benefit changes		-
Member contributions		(451,608)
Administrative expense		4,621
Expected investment return net of investment expense		(745,594)
Pension expense related to specific liabilities of individual employers		(206)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		103,165
Changes of assumptions		(1,153,354)
Difference between projected and actual investment earnings on pension plan investments		(476,866)
Pension expense	\$	<u>579,225</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2022) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcprp](http://www.prudential.com/njdcprp).

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2022 was 1,245.

D. Other pension plan information

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$468,726 to the TPAF for postretirement medical benefits, \$27,911 for non-contributory insurance premiums, \$791 for long-term disability insurance, and \$1,978,276 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$378,805 during the fiscal year ended June 30, 2018 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as the employers) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)  
Total OPEB liability (continued)

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2021 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 60,007,650,970
District's proportionate share of the State's OPEB liability	34,544,687
Employer OPEB expense and related revenue	1,895,918
Allocable proportionate percentage	0.0575671376%

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2020	\$ 40,143,202
Service cost	1,845,221
Interest cost	896,126
Change of benefit terms	(36,769)
Differences between expected and actual experiences	(7,654,188)
Changes of assumptions	34,081
Member contributions	22,910
Gross benefit payments	(705,896)
Total OPEB liability at June 30, 2021	<u>\$ 34,544,687</u>

There were no changes of the benefit terms from June 30, 2020 to June 30, 2021.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of the June 30, 2020 plan measurement date to 2.16% as of the June 30, 2021 plan measurement date.

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)  
Changes in the total OPEB liability (continued)

Inflation rate 2.50%

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 Safety (PFRS), General (PERS), and Teachers (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2021 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.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Discount rate (continued)

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2020 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (2.16%)	\$	34,544,687
At a 1% lower rate (1.16%)		41,379,112
At a 1% higher rate (3.16%)		29,162,988

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

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

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	34,544,687
At a 1% lower rate (1% decrease)		27,964,036
At a 1% higher rate (1% increase)		43,382,014

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$1,895,918 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

Note 8 - Deferred compensation

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

AXA Equitable  
 Siracusa Benefits

Lincoln Investment Planning

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 9 - Interfund receivable and payables

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

	Receivable Fund	Payable Fund
General fund	\$ 33,812	\$ 3,394
Special revenue fund	-	33,812
Food service fund	3,394	-
Total	\$ 37,206	\$ 37,206

The special revenue fund had an interfund payable to the general fund for \$33,812 representing a loan due to cash flow issues relating to the delayed receipt of grant revenues. The general fund has a interfund payable to the food service fund for \$3,394 representing subsidy receipts not yet transferred to the food service fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2022 consisted of the following:

Food	\$ 6,912
Supplies	1,538
Total	\$ 8,450

Note 11 - Contingent liabilities

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

Note 12 - Risk management

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

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

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 13 - Reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the Reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$771,736 to their capital reserve account, \$220,000 to their emergency reserve account, \$245,453 to their maintenance reserve account, and \$250,000 to their tuition reserve by Board Resolution in June 2022 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,950,193	\$ 771,736	\$ -	\$ 120,264	\$ 391,495	\$ 2,450,698
Emergency	30,000	220,000	-	-	-	250,000
Maintenance	833,615	245,453	-	-	245,000	834,068
Tuition	250,000	250,000	-	-	-	500,000
Total	<u>\$ 3,063,808</u>	<u>\$ 1,487,189</u>	<u>\$ -</u>	<u>\$ 120,264</u>	<u>\$ 636,495</u>	<u>\$ 4,034,766</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Fund balance-general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2022 is as follows:

Restricted

Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 2,450,698
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	834,068
Tuition reserve account - Represents funds accumulated for future tuition adjustments pursuant to N.J.A.C. 6A:23A-17.1(f).	500,000

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	523,699
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Assigned

Designated surplus - Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	192,363
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	888,750
Total fund balance - Budgetary basis (Exhibit C-1)	5,639,578
Last state aid payments recognized on GAAP basis	(327,587)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 5,311,991

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$0.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2022 of (\$1,681,449) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 17 - Restatement of prior year net position

During the fiscal year ended June 30, 2022, the District has determined a restatement of the prior year net position is necessary. Due to ongoing updates to the District's capital asset inventory and implementation of GASB 87, *Leases*, adjustments to the inventory report value are necessary. The following is a summary of the District's restatement of net position as of June 30, 2022:

	Governmental Activities
Net position, June 30, 2021	\$ 7,446,045
Change in capital assets	(434,504)
Net position, June 30, 2021, as restated	\$ 7,011,541

Note 18 - Recent accounting pronouncements not yet effective

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

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

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

Note 19 - Risks and uncertainties

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

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

Note 20 - Subsequent events

The District has evaluated subsequent events through March 14, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
<b>Revenues</b>					
<b>Local sources</b>					
Local tax levy	\$ 15,267,127	\$ -	\$ 15,267,127	\$ 15,267,127	\$ -
Tuition from individuals	38,000	-	38,000	49,920	11,920
Tuition from other LEA's within the state	95,000	-	95,000	30,880	(64,120)
Transportation fees from other LEAs	-	-	-	2,834	2,834
Rents and royalties	-	-	-	2,225	2,225
Unrestricted miscellaneous revenues	20,000	-	20,000	40,985	20,985
<b>Total</b>	<b>15,420,127</b>	<b>-</b>	<b>15,420,127</b>	<b>15,393,971</b>	<b>(26,156)</b>
<b>State sources</b>					
Categorical transportation aid	147,093	-	147,093	147,093	-
Extraordinary aid	65,000	-	65,000	232,776	167,776
Categorical special education aid	763,471	-	763,471	763,471	-
Equalization aid	2,262,332	-	2,262,332	2,262,332	-
Categorical security aid	105,232	-	105,232	105,232	-
Other state aid	-	-	-	7,830	7,830
Education Rescue Grant	-	382,890	382,890	382,890	-
TPAF Pension (on-behalf)	-	-	-	1,978,276	1,978,276
TPAF Non-contributory insurance	-	-	-	27,911	27,911
TPAF Social Security (reimbursed)	-	-	-	378,805	378,805
TPAF Postretirement benefits	-	-	-	468,726	468,726
TPAF Long-term disability insurance	-	-	-	791	791
<b>Total</b>	<b>3,343,128</b>	<b>382,890</b>	<b>3,726,018</b>	<b>6,756,133</b>	<b>3,030,115</b>
<b>Total revenues</b>	<b>\$ 18,763,255</b>	<b>\$ 382,890</b>	<b>\$ 19,146,145</b>	<b>\$ 22,150,104</b>	<b>\$ 3,003,959</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instruction - regular program</b>					
<b>Salaries of teachers</b>					
Kindergarten	\$ 181,045	\$ 5,095	\$ 186,140	\$ 186,140	\$ -
Grades 1-5	1,375,272	179,263	1,554,535	1,548,287	6,248
Grades 6-8	943,776	15,254	959,030	938,280	20,750
<b>Home instruction</b>					
Salaries of teacher	2,000	-	2,000	-	2,000
Purchased professional - educational services	3,660	-	3,660	-	3,660
<b>Regular programs - undistributed instruction</b>					
Other salaries for instruction	-	80,805	80,805	80,798	7
Purchased professional - educational services	3,500	(3,500)	-	-	-
Purchased technical services	162,185	(21,563)	140,622	68,060	72,562
Other purchased services	95,021	4,550	99,571	99,224	347
General supplies	197,684	179,943	377,627	216,608	161,019
Textbooks	7,700	(2,600)	5,100	4,770	330
Other objects	250	(200)	50	36	14
<b>Total</b>	<b>2,972,093</b>	<b>437,047</b>	<b>3,409,140</b>	<b>3,142,203</b>	<b>266,937</b>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 244,160	\$ (51,715)	\$ 192,445	\$ 192,445	\$ -
Other salaries for instruction	65,322	(10,138)	55,184	55,061	123
General supplies	1,390	1,500	2,890	1,055	1,835
Total	<u>310,872</u>	<u>(60,353)</u>	<u>250,519</u>	<u>248,561</u>	<u>1,958</u>
Emotional regulation impairment					
Salaries of teachers	-	78,585	78,585	78,566	19
Other salaries for instruction	17,424	353	17,777	16,515	1,262
General supplies	1,000	-	1,000	858	142
Total	<u>18,424</u>	<u>78,938</u>	<u>97,362</u>	<u>95,939</u>	<u>1,423</u>
Resource room/resource center					
Salaries of teachers	766,095	9,260	775,355	704,235	71,120
Other salaries for instruction	160,709	3,066	163,775	137,330	26,445
General supplies	1,360	6,000	7,360	1,467	5,893
Total	<u>928,164</u>	<u>18,326</u>	<u>946,490</u>	<u>843,032</u>	<u>103,458</u>
Autism					
Salaries of teachers	56,115	5,545	61,660	61,660	-
Other salaries for instruction	30,590	19,741	50,331	50,320	11
General supplies	2,500	(400)	2,100	1,144	956
Total	<u>89,205</u>	<u>24,886</u>	<u>114,091</u>	<u>113,124</u>	<u>967</u>
Preschool disabilities - full-time					
Salaries of teachers	145,840	4,150	149,990	149,990	-
Other salaries for instruction	47,332	(6,954)	40,378	40,377	1
Purchased professional - educational services	5,000	(4,500)	500	423	77
General supplies	2,500	(2,500)	-	-	-
Total	<u>200,672</u>	<u>(9,804)</u>	<u>190,868</u>	<u>190,790</u>	<u>78</u>
Home instruction					
Salaries of teachers	-	8,800	8,800	5,500	3,300
Purchased professional-educational services	5,000	-	5,000	-	5,000
Total	<u>5,000</u>	<u>8,800</u>	<u>13,800</u>	<u>5,500</u>	<u>8,300</u>
<b>Total special education</b>	<u>1,552,337</u>	<u>60,793</u>	<u>1,613,130</u>	<u>1,496,946</u>	<u>116,184</u>
Basic skills/remedial					
Salaries of teachers	232,215	63,590	295,805	241,204	54,601
General supplies	934	570	1,504	908	596
Total	<u>233,149</u>	<u>64,160</u>	<u>297,309</u>	<u>242,112</u>	<u>55,197</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	37,040	-	37,040	27,014	10,026
Supplies and materials	666	-	666	302	364
Total	<u>37,706</u>	<u>-</u>	<u>37,706</u>	<u>27,316</u>	<u>10,390</u>
School-sponsored athletics - instruction					
Salaries	2,320	-	2,320	1,240	1,080
Supplies and materials	550	-	550	-	550
Total	<u>2,870</u>	<u>-</u>	<u>2,870</u>	<u>1,240</u>	<u>1,630</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expeitures (cont'd)					
Summer school - instruction					
Salaries of teachers	\$ 12,000	\$ 41,639	\$ 53,639	\$ 48,825	\$ 4,814
Purchased professional & technical services	10,460	-	10,460	5,751	4,709
General supplies	1,000	-	1,000	-	1,000
Total	<u>23,460</u>	<u>41,639</u>	<u>65,099</u>	<u>54,576</u>	<u>10,523</u>
Summer school - support services					
Salaries	4,040	-	4,040	3,520	520
Total	<u>4,040</u>	<u>-</u>	<u>4,040</u>	<u>3,520</u>	<u>520</u>
Total instruction regular	<u>\$ 4,825,655</u>	<u>\$ 603,639</u>	<u>\$ 5,429,294</u>	<u>\$ 4,967,913</u>	<u>\$ 461,381</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEA's within the state - regular	\$ 4,229,940	\$ 3,780	\$ 4,233,720	\$ 4,233,720	\$ -
Tuition to other LEA's within the state - special	365,500	(46,962)	318,538	272,915	45,623
Tuition to county vocational school district - regular	106,156	10,834	116,990	67,278	49,712
Tuition to county vocational school district - special	18,000	(3,470)	14,530	12,882	1,648
Tuition to cssd & regional day schools	380,294	(127,673)	252,621	237,367	15,254
Tuition to priv. school for the disabled w/i state	739,552	(120,000)	619,552	593,333	26,219
Total	<u>5,839,442</u>	<u>(283,491)</u>	<u>5,555,951</u>	<u>5,417,495</u>	<u>138,456</u>
Undistributed expenditures - health services					
Salaries	129,390	1,695	131,085	130,301	784
Purchased professional and technical services	12,000	(7,300)	4,700	4,680	20
Supplies and materials	20,206	2,814	23,020	9,025	13,995
Total	<u>161,596</u>	<u>(2,791)</u>	<u>158,805</u>	<u>144,006</u>	<u>14,799</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	142,890	4,150	147,040	147,040	-
Purchased professional - educational services	305,266	(2,800)	302,466	271,618	30,848
Supplies and materials	2,300	3,300	5,600	534	5,066
Other objects	500	(500)	-	-	-
Total	<u>450,956</u>	<u>4,150</u>	<u>455,106</u>	<u>419,192</u>	<u>35,914</u>
Undistributed expenditures - other supp. Serv. stds. - extra service					
Salaries	78,149	1,488	79,637	71,984	7,653
Purchased professional - educational services	176,950	(23,800)	153,150	44,791	108,359
Supplies and materials	3,500	4,070	7,570	6,515	1,055
Total	<u>258,599</u>	<u>(18,242)</u>	<u>240,357</u>	<u>123,290</u>	<u>117,067</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	129,880	17,290	147,170	147,168	2
Purchased professional - educational services	1,000	379	1,379	1,216	163
Other purchased professional & technical services	3,000	-	3,000	-	3,000
Supplies and materials	1,500	(379)	1,121	-	1,121
Total	<u>135,380</u>	<u>17,290</u>	<u>152,670</u>	<u>148,384</u>	<u>4,286</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - child study teams					
Salaries of other professional staff	\$ 272,629	\$ (151)	\$ 272,478	\$ 272,456	\$ 22
Salaries of secretarial and clerical assistants	12,240	-	12,240	12,230	10
Purchased professional - educational services	30,000	-	30,000	3,512	26,488
Other purchased professional & technical services	6,500	(4,000)	2,500	190	2,310
Other purchased services	-	900	900	32	868
Supplies and materials	12,525	-	12,525	10,043	2,482
<b>Total</b>	<b>333,894</b>	<b>(3,251)</b>	<b>330,643</b>	<b>298,463</b>	<b>32,180</b>
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	16,680	67,191	83,871	83,428	443
Salaries of secretarial & clerical assist	1,500	-	1,500	-	1,500
Other salaries	60,600	-	60,600	34,940	25,660
Other purchased services	5,900	330	6,230	5,988	242
Supplies and materials	-	325	325	321	4
Other objects	-	1,345	1,345	1,345	-
<b>Total</b>	<b>84,680</b>	<b>69,191</b>	<b>153,871</b>	<b>126,022</b>	<b>27,849</b>
Undistributed expenditures - edu. media service/sch. library					
Salaries	111,720	2,910	114,630	114,621	9
Salaries of technology coordinators	30,600	-	30,600	30,600	-
Supplies and materials	14,950	(2,910)	12,040	6,110	5,930
<b>Total</b>	<b>157,270</b>	<b>-</b>	<b>157,270</b>	<b>151,331</b>	<b>5,939</b>
Undistributed expenditures - instructional staff training services					
Salaries of other professional staff	-	250	250	132	118
Other purchased services	9,000	(250)	8,750	500	8,250
<b>Total</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>	<b>632</b>	<b>8,368</b>
Undistributed expenditures - support service - general admin.					
Salaries	165,561	(41,524)	124,037	124,037	-
Legal services	26,000	6,000	32,000	26,202	5,798
Audit fees	22,500	-	22,500	21,900	600
Purchased technical services	1,750	(1,032)	718	-	718
Communications/telephone	39,400	-	39,400	36,255	3,145
BOE other purchased services	2,500	-	2,500	999	1,501
Misc purch services	44,320	5,000	49,320	46,786	2,534
General supplies	2,000	-	2,000	1,898	102
BOE in-house training/meeting supplies	200	-	200	160	40
Miscellaneous expenditures	6,600	-	6,600	2,901	3,699
BOE membership dues and fees	12,106	-	12,106	10,956	1,150
<b>Total</b>	<b>322,937</b>	<b>(31,556)</b>	<b>291,381</b>	<b>272,094</b>	<b>19,287</b>
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	153,278	58,561	211,839	207,867	3,972
Salaries of secretarial and clerical assistants	88,887	688	89,575	82,322	7,253
Supplies and materials	12,000	-	12,000	6,568	5,432
Other objects	2,200	-	2,200	1,095	1,105
<b>Total</b>	<b>256,365</b>	<b>59,249</b>	<b>315,614</b>	<b>297,852</b>	<b>17,762</b>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - central services					
Salaries	\$ 226,924	\$ (10,000)	\$ 216,924	\$ 214,684	\$ 2,240
Purchased professional services	13,117	(9,867)	3,250	-	3,250
Miscellaneous purchased services	29,150	-	29,150	24,359	4,791
Supplies and materials	3,350	-	3,350	2,600	750
Other objects	4,900	-	4,900	483	4,417
<b>Total</b>	<b>277,441</b>	<b>(19,867)</b>	<b>257,574</b>	<b>242,126</b>	<b>15,448</b>
Undistributed expenditures - admin. info. technology					
Salaries	18,800	-	18,800	18,800	-
Purchased professional services	-	5,053	5,053	5,053	-
Purchased technical services	2,500	-	2,500	-	2,500
Supplies and materials	800	-	800	-	800
<b>Total</b>	<b>22,100</b>	<b>5,053</b>	<b>27,153</b>	<b>23,853</b>	<b>3,300</b>
Undistributed expenditures - req. maint. for school facilities					
Salaries	61,027	19,030	80,057	80,057	-
Cleaning, repair, and maintenance services	142,750	286,030	428,780	197,459	231,321
General supplies	40,000	28,300	68,300	31,071	37,229
Other objects	1,125	(1,000)	125	125	-
<b>Total</b>	<b>244,902</b>	<b>332,360</b>	<b>577,262</b>	<b>308,712</b>	<b>268,550</b>
Undistributed expenditures - custodial services					
Salaries	205,094	34,794	239,888	222,419	17,469
Salaries of non-instructional aides	17,960	(17,960)	-	-	-
Purchased professional and technical services	20,000	(4,500)	15,500	9,438	6,062
Cleaning, repair, and maintenance service	38,743	5,500	44,243	43,253	990
Lease purchase pymts - energy savings impr prog	176,650	-	176,650	176,650	-
Insurance	60,000	1,000	61,000	60,997	3
Miscellaneous purchased services	5,000	(4,000)	1,000	865	135
General supplies	42,000	(8,980)	33,020	31,706	1,314
Energy (natural gas)	43,000	16,825	59,825	59,779	46
Energy (electricity)	157,500	(5,625)	151,875	143,697	8,178
Energy (oil)	27,000	(7,900)	19,100	19,094	6
Other objects	3,000	(1,600)	1,400	-	1,400
<b>Total</b>	<b>795,947</b>	<b>7,554</b>	<b>803,501</b>	<b>767,898</b>	<b>35,603</b>
Undistributed expenditures - care and upkeep of grounds					
Salaries	-	5,439	5,439	5,439	-
Purchased professional and technical services	8,750	(8,739)	11	-	11
Cleaning, repair, and maintenance service	12,500	11,000	23,500	22,223	1,277
General supplies	14,960	(9,000)	5,960	5,567	393
<b>Total</b>	<b>36,210</b>	<b>(1,300)</b>	<b>34,910</b>	<b>33,229</b>	<b>1,681</b>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - security					
Salaries	\$ 18,832	\$ 5,500	\$ 24,332	\$ 23,320	\$ 1,012
Purchased professional and technical services	31,300	(22,000)	9,300	8,620	680
Cleaning, repair, and maintenance service	21,000	(3,500)	17,500	17,039	461
General supplies	3,000	11,250	14,250	4,925	9,325
<b>Total</b>	<b>74,132</b>	<b>(8,750)</b>	<b>65,382</b>	<b>53,904</b>	<b>11,478</b>
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	19,000	-	19,000	6,589	12,411
Management fee - ESC & CTSA trans. program	37,000	20,000	57,000	54,064	2,936
Other purchased professional and technical service	55,400	(16,000)	39,400	8,378	31,022
Contract service-aid in lieu pymts - non-public schools	47,000	-	47,000	34,844	12,156
Contract service-aid in lieu pymts-charter school students	8,000	-	8,000	6,749	1,251
Contract service (between home & school) - vendors	820,591	(753,900)	66,691	66,205	486
Contr service (oth. than between home & school) - vend.	7,350	-	7,350	-	7,350
Contract service (sp. ed. stds.) - joint agreements	33,000	(33,000)	-	-	-
Contract service (reg. students) - ESCs & CTSA	-	794,000	794,000	793,739	261
Contract service (spl. ed. students) - ESCs & CTSA	570,283	(11,100)	559,183	559,138	45
General supplies	2,500	-	2,500	2,292	208
<b>Total</b>	<b>1,600,124</b>	<b>-</b>	<b>1,600,124</b>	<b>1,531,998</b>	<b>68,126</b>
Allocated benefits - employee benefits					
Regular programs - instruction					
Unused sick payment to terminated/retired staff	26,581	-	26,581	3,465	23,116
<b>Total</b>	<b>26,581</b>	<b>-</b>	<b>26,581</b>	<b>3,465</b>	<b>23,116</b>
Support services - central services					
Tuition reimbursement	-	8,868	8,868	8,868	-
<b>Total</b>	<b>-</b>	<b>8,868</b>	<b>8,868</b>	<b>8,868</b>	<b>-</b>
<b>Total allocated benefits - employees</b>	<b>\$ 26,581</b>	<b>\$ 8,868</b>	<b>\$ 35,449</b>	<b>\$ 12,333</b>	<b>\$ 23,116</b>
Unallocated benefits - employee benefits					
Social Security contributions	\$ 143,100	\$ (2,340)	\$ 140,760	\$ 72,611	\$ 68,149
Other retirement contributions - PERS	206,150	-	206,150	169,055	37,095
Other retirement contributions - regular	2,000	-	2,000	917	1,083
Unemployment compensation	31,000	2,340	33,340	33,340	-
Workmen's compensation	83,265	(1,000)	82,265	59,240	23,025
Health benefits	2,502,147	(280,216)	2,221,931	1,751,494	470,437
Tuition reimbursement	54,143	-	54,143	39,709	14,434
Other employee benefits	30,650	-	30,650	2,760	27,890
<b>Total</b>	<b>3,052,455</b>	<b>(281,216)</b>	<b>2,771,239</b>	<b>2,129,126</b>	<b>642,113</b>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 1,978,276	\$ (1,978,276)
On-behalf TPAF Non-contributory insurance	-	-	-	27,911	(27,911)
On-behalf TPAF Postretirement medical benefits	-	-	-	468,726	(468,726)
On-behalf TPAF Long-term disability insurance	-	-	-	791	(791)
Reimbursed TPAF Social Security contribution	-	-	-	378,805	(378,805)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,854,509</u>	<u>(2,854,509)</u>
 Total undistributed expenditures	 <u>\$ 14,140,011</u>	 <u>\$ (146,749)</u>	 <u>\$ 13,993,262</u>	 <u>\$ 15,356,449</u>	 <u>\$ (1,363,187)</u>
 Total current	 <u>\$ 18,965,666</u>	 <u>\$ 456,890</u>	 <u>\$ 19,422,556</u>	 <u>\$ 20,324,362</u>	 <u>\$ (901,806)</u>
Capital outlay					
Facilities acquisition and construction service					
Legal services	-	10,000	10,000	-	10,000
Architectural/engineering services	6,531	39,900	46,431	5,136	41,295
Construction services	-	341,595	341,595	263,834	77,761
Assessment for debt service on SDA funding	2,261	-	2,261	2,261	-
Total facilities acquisition and construction service	<u>8,792</u>	<u>391,495</u>	<u>400,287</u>	<u>271,231</u>	<u>129,056</u>
 Total capital outlay	 <u>\$ 8,792</u>	 <u>\$ 391,495</u>	 <u>\$ 400,287</u>	 <u>\$ 271,231</u>	 <u>\$ 129,056</u>
 Transfer of funds to charter schools	 <u>\$ 167,086</u>	 <u>\$ -</u>	 <u>\$ 167,086</u>	 <u>\$ 128,035</u>	 <u>\$ 39,051</u>
 Total expenditures	 <u>\$ 19,141,544</u>	 <u>\$ 848,385</u>	 <u>\$ 19,989,929</u>	 <u>\$ 20,723,628</u>	 <u>\$ (733,699)</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>\$ (378,289)</u>	 <u>\$ (465,495)</u>	 <u>\$ (843,784)</u>	 <u>\$ 1,426,476</u>	 <u>\$ 2,270,260</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	(625)	-	(625)	-	625
Capital reserve - transfer to capital projects fund	(391,495)	391,495	-	-	-
Total other financing sources (uses)	<u>(392,120)</u>	<u>391,495</u>	<u>(625)</u>	<u>-</u>	<u>625</u>
 Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	 <u>(770,409)</u>	 <u>(74,000)</u>	 <u>(844,409)</u>	 <u>1,426,476</u>	 <u>2,270,885</u>
 Fund balances, July 1	 <u>4,213,102</u>	 <u>-</u>	 <u>4,213,102</u>	 <u>4,213,102</u>	 <u>-</u>
Fund balances, June 30	<u>\$ 3,442,693</u>	<u>\$ (74,000)</u>	<u>\$ 3,368,693</u>	<u>\$ 5,639,578</u>	<u>\$ 2,270,885</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (39,515)	\$ -	\$ (39,515)	\$ (39,515)	\$ -
Increase in capital reserve	-	892,000	892,000	892,000	-
Withdrawal from capital reserve	(391,495)	-	(391,495)	(391,495)	-
Increase in emergency reserve	-	220,000	220,000	220,000	-
Increase in maintenance reserve	-	245,453	245,453	245,453	-
Withdrawal from maintenance reserve	(170,000)	(75,000)	(245,000)	(245,000)	-
Increase in tuition reserve	-	250,000	250,000	250,000	-
Budgeted fund balance	(169,399)	(1,606,453)	(1,775,852)	495,033	2,270,885
<b>Total</b>	<u>\$ (770,409)</u>	<u>\$ (74,000)</u>	<u>\$ (844,409)</u>	<u>\$ 1,426,476</u>	<u>\$ 2,270,885</u>
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 2,450,698	
Emergency reserve				250,000	
Maintenance reserve				834,068	
Tuition reserve					
Year 2020 - 2021				250,000	
Year 2021 - 2022				250,000	
Committed fund balance					
Year-end encumbrances				523,699	
Assigned fund balance					
Designated for subsequent year's expenditures				192,363	
Unassigned fund balance				<u>888,750</u>	
Fund balance per budgetary basis				5,639,578	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(327,587)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 5,311,991</u>	

See independent auditors' report.



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
<b>Revenues</b>					
Local sources	\$ -	\$ 7,225	\$ 7,225	\$ 38,830	\$ 31,605
State source	14,698	-	14,698	14,698	-
Federal sources	1,522,789	49,986	1,572,775	630,802	(941,973)
<b>Total revenues</b>	<b>\$ 1,537,487</b>	<b>\$ 57,211</b>	<b>\$ 1,594,698</b>	<b>\$ 684,330</b>	<b>\$ (910,368)</b>
<b>Expenditures</b>					
<b>Instruction</b>					
Salaries	\$ 357,984	\$ (37,337)	\$ 320,647	\$ 75,766	\$ 244,881
Purchased professional and technical services	97,386	(2,050)	95,336	18,653	76,683
Other purchased services	-	1,040	1,040	1,040	-
General supplies	172,733	20,057	192,790	76,830	115,960
<b>Total</b>	<b>628,103</b>	<b>(18,290)</b>	<b>609,813</b>	<b>172,289</b>	<b>437,524</b>
<b>Support services</b>					
Tuition	226,030	(8,165)	217,865	177,788	40,077
Salaries	52,321	5,679	58,000	27,193	30,807
Employee benefits	96,290	2,129	98,419	7,789	90,630
Purchased professional and technical services	-	72,600	72,600	72,600	-
Other purchased services	159,000	(1)	158,999	77,357	81,642
Supplies and materials	106,939	(59,095)	47,844	33,760	14,084
Student activities	-	31,289	31,289	31,289	-
<b>Total</b>	<b>640,580</b>	<b>44,436</b>	<b>685,016</b>	<b>427,776</b>	<b>257,240</b>
<b>Capital outlay</b>					
Building	268,804	(34,329)	234,475	18,060	216,415
Instructional equipment	-	65,394	65,394	65,394	-
<b>Total</b>	<b>268,804</b>	<b>31,065</b>	<b>299,869</b>	<b>83,454</b>	<b>216,415</b>
<b>Total expenditures</b>	<b>\$ 1,537,487</b>	<b>\$ 57,211</b>	<b>\$ 1,594,698</b>	<b>\$ 683,519</b>	<b>\$ 911,179</b>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 811	\$ 811
Fund balances, July 1	29,104	-	29,104	29,104	-
Fund balances, June 30	<b>\$ 29,104</b>	<b>\$ -</b>	<b>\$ 29,104</b>	<b>\$ 29,915</b>	<b>\$ (811)</b>
<b>Recapitulation of fund balance</b>					
Restricted fund balance				\$ 29,915	
Student activities				\$ 29,915	
Fund balance per budgetary basis				<b>\$ 29,915</b>	

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2022**

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

	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 22,150,104	\$ 684,330
<b>Differences - Budget to GAAP</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	10,075
Outstanding encumbrances - current year	-	(122,926)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	431,101	-
State aid receivable - current year	(327,587)	-
<b>Total revenues (GAAP basis)</b>	<b>\$ 22,253,618</b>	<b>\$ 571,479</b>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,723,628	\$ 683,519
<b>Differences - Budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	10,075
Outstanding encumbrances - current year	-	(122,926)
<b>Total expenditures (GAAP basis)</b>	<b>\$ 20,723,628</b>	<b>\$ 570,668</b>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	Percentage	Value		as a percentage of its covered employee payroll	as a percentage of the total pension liability
2013	0.0152673017%	\$ 2,917,885	\$ 1,139,750	256.01%	48.72%
2014	0.0168460007%	3,154,032	1,062,273	296.91%	52.08%
2015	0.0158783260%	3,564,366	1,009,899	352.94%	47.93%
2016	0.0145045105%	4,295,820	954,391	450.11%	40.14%
2017	0.0140210442%	3,263,875	985,451	331.21%	48.10%
2018	0.0148077227%	2,915,567	1,046,342	278.64%	53.60%
2019	0.0153185121%	2,760,163	1,095,150	252.04%	56.27%
2020	0.0154721941%	2,523,110	1,080,612	233.49%	58.32%
2021	0.0137690860%	1,631,155	978,669	166.67%	70.33%
2022	N/A	N/A	941,005	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 98,136	\$ (98,136)	\$ -	\$ 1,139,750	8.61%
2014	115,036	(115,036)	-	1,062,273	10.83%
2015	138,876	(138,876)	-	1,009,899	13.75%
2016	136,511	(136,511)	-	954,391	14.30%
2017	130,174	(130,174)	-	985,451	13.21%
2018	129,890	(129,890)	-	1,046,342	12.41%
2019	147,289	(147,289)	-	1,095,150	13.45%
2020	149,004	(149,004)	-	1,080,612	13.79%
2021	169,258	(169,258)	-	978,669	17.29%
2022	161,252	(161,252)	-	941,005	17.14%

N/A = Information not available

See independent auditors' report.

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

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	0.00%	-	\$ 30,000,335	\$ 30,000,335	\$ 5,613,864	0.00%	33.76%
2014	0.00%	-	30,782,398	30,782,398	5,743,558	0.00%	33.64%
2015	0.00%	-	37,018,875	37,018,875	5,419,890	0.00%	28.71%
2016	0.00%	-	44,158,384	44,158,384	5,527,363	0.00%	22.33%
2017	0.00%	-	35,897,530	35,897,530	5,715,574	0.00%	25.41%
2018	0.00%	-	34,573,944	34,573,944	5,730,946	0.00%	26.49%
2019	0.00%	-	34,070,868	34,070,868	5,634,331	0.00%	26.95%
2020	0.00%	-	35,907,159	35,907,159	5,406,693	0.00%	24.60%
2021	0.00%	-	24,616,006	24,616,006	5,113,504	0.00%	35.52%
2022	N/A	N/A	N/A	N/A	5,155,131	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 383,561	\$ (383,561)	\$ -	\$ 5,613,864	6.83%
2014	243,649	(243,649)	-	5,743,558	4.24%
2015	316,652	(316,652)	-	5,419,890	5.84%
2016	449,428	(449,428)	-	5,527,363	8.13%
2017	598,866	(598,866)	-	5,715,574	10.48%
2018	819,751	(819,751)	-	5,730,946	14.30%
2019	1,114,727	(1,114,727)	-	5,634,331	19.78%
2020	1,116,234	(1,116,234)	-	5,406,693	20.65%
2021	1,235,659	(1,235,659)	-	5,113,504	24.16%
2022	1,500,515	(1,500,515)	-	5,155,131	29.11%

N/A = Information not available

See independent auditors' report.



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

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

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	N/A	N/A	N/A	\$ -	N/A	N/A	N/A
2014	N/A	N/A	N/A	-	N/A	N/A	N/A
2015	N/A	N/A	N/A	-	N/A	N/A	N/A
2016	N/A	N/A	N/A	-	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 31,237,261	31,237,261	\$ 6,701,025	0.00%	0.00%
2018	0.00%	-	27,209,475	27,209,475	6,777,288	0.00%	0.00%
2019	0.00%	-	24,468,224	24,468,224	6,729,481	0.00%	0.00%
2020	0.00%	-	40,143,202	40,143,202	6,487,305	0.00%	0.00%
2021	0.00%	-	34,544,687	34,544,687	6,092,173	0.00%	0.00%
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2022**

- Note 1 - Special funding situation - TPAF and other postretirement benefits  
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF  
The discount rate was 5.40% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% in State fiscal year 2020 and 2.75% in State fiscal year 2021.
- Note 3 - Changes in assumptions – PERS  
The discount rate was 7.00% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% for State fiscal year 2020 and 2.75% for State fiscal year 2021.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate decreased from 2.21% in State fiscal year 2020 to 2.16% in State fiscal year 2021. The inflation rate was 2.50% for State fiscal year 2020 and 2021.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
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 4.5% 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%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits  
There was a decrease in liability from June 30, 2020 to June 30, 2021 due to employers adopting Chapter 44 provisions.

## **SPECIAL REVENUE FUND**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	Total
<b>Revenues</b>						
Local sources	\$ 38,830	\$ -	\$ -	\$ -	\$ -	\$ 38,830
State source	14,698	-	-	-	-	14,698
Federal sources	310,303	194,313	6,220	100,469	19,497	630,802
Total revenues	<u>\$ 363,831</u>	<u>\$ 194,313</u>	<u>\$ 6,220</u>	<u>\$ 100,469</u>	<u>\$ 19,497</u>	<u>\$ 684,330</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ 2,354	\$ -	\$ -	\$ 73,412	\$ -	\$ 75,766
Purchased professional and technical services	18,653	-	-	-	-	18,653
Other purchased services	-	-	1,040	-	-	1,040
General supplies	45,944	16,525	5,180	9,181	-	76,830
Total	<u>66,951</u>	<u>16,525</u>	<u>6,220</u>	<u>82,593</u>	<u>-</u>	<u>172,289</u>
<b>Support services</b>						
Tuition	-	177,788	-	-	-	177,788
Salaries	27,193	-	-	-	-	27,193
Employee benefits	1,664	-	-	6,125	-	7,789
Purchased professional and technical services	72,600	-	-	-	-	72,600
Other purchased services	46,109	-	-	11,751	19,497	77,357
Supplies and materials	33,760	-	-	-	-	33,760
Student activities	31,289	-	-	-	-	31,289
Total	<u>212,615</u>	<u>177,788</u>	<u>-</u>	<u>17,876</u>	<u>19,497</u>	<u>427,776</u>
<b>Capital outlay</b>						
Building	18,060	-	-	-	-	18,060
Instructional equipment	65,394	-	-	-	-	65,394
Total	<u>83,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,454</u>
Total expenditures	<u>\$ 363,020</u>	<u>\$ 194,313</u>	<u>\$ 6,220</u>	<u>\$ 100,469</u>	<u>\$ 19,497</u>	<u>\$ 683,519</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 811	\$ -	\$ -	\$ -	\$ -	\$ 811
Fund balances, July 1	<u>29,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,104</u>
Fund balances, June 30	<u>\$ 29,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,915</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	ESSA Title IV	CARES Emergency Relief	CRRSA ESSER II	CRRSA Learning Acceleration	Total Carried Forward
<b>Revenues</b>						
Local sources	\$ 38,830	\$ -	\$ -	\$ -	\$ -	\$ 38,830
State source	14,698	-	-	-	-	14,698
Federal sources	259,711	11,101	1,925	18,060	19,506	310,303
Total revenues	<u>\$ 313,239</u>	<u>\$ 11,101</u>	<u>\$ 1,925</u>	<u>\$ 18,060</u>	<u>\$ 19,506</u>	<u>\$ 363,831</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ -	\$ 176	\$ -	\$ -	\$ 2,178	\$ 2,354
Purchased professional and technical services	18,653	-	-	-	-	18,653
Other purchased services	-	-	-	-	-	-
General supplies	31,441	-	1,925	-	12,578	45,944
Total	<u>50,094</u>	<u>176</u>	<u>1,925</u>	<u>-</u>	<u>14,756</u>	<u>66,951</u>
<b>Support services</b>						
Tuition	-	-	-	-	-	-
Salaries	27,193	-	-	-	-	27,193
Employee benefits	1,664	-	-	-	-	1,664
Purchased professional and technical services	72,600	-	-	-	-	72,600
Other purchased services	38,359	3,000	-	-	4,750	46,109
Supplies and materials	25,835	7,925	-	-	-	33,760
Student activities	31,289	-	-	-	-	31,289
Total	<u>196,940</u>	<u>10,925</u>	<u>-</u>	<u>-</u>	<u>4,750</u>	<u>212,615</u>
<b>Capital outlay</b>						
Building	-	-	-	18,060	-	18,060
Instructional equipment	65,394	-	-	-	-	65,394
Total	<u>65,394</u>	<u>-</u>	<u>-</u>	<u>18,060</u>	<u>-</u>	<u>83,454</u>
Total expenditures	<u>\$ 312,428</u>	<u>\$ 11,101</u>	<u>\$ 1,925</u>	<u>\$ 18,060</u>	<u>\$ 19,506</u>	<u>\$ 363,020</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 811	\$ -	\$ -	\$ -	\$ -	\$ 811
Fund balances, July 1	<u>29,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,104</u>
Fund balances, June 30	<u>\$ 29,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,915</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	CRRSA Mental Health	ARP ESSER III	ARP Accelerated Learning	ARP Summer Learning	Total Carried Forward
<b>Revenues</b>						
Local sources	\$ 38,830	\$ -	\$ -	\$ -	\$ -	\$ 38,830
State source	14,698	-	-	-	-	14,698
Federal sources	4,903	24,668	157,402	72,600	138	259,711
Total revenues	<u>\$ 58,431</u>	<u>\$ 24,668</u>	<u>\$ 157,402</u>	<u>\$ 72,600</u>	<u>\$ 138</u>	<u>\$ 313,239</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	18,653	-	-	-	18,653
Other purchased services	-	-	-	-	-	-
General supplies	2,480	716	28,107	-	138	31,441
Total	<u>2,480</u>	<u>19,369</u>	<u>28,107</u>	<u>-</u>	<u>138</u>	<u>50,094</u>
<b>Support services</b>						
Tuition	-	-	-	-	-	-
Salaries	-	-	27,193	-	-	27,193
Employee benefits	-	-	1,664	-	-	1,664
Purchased professional and technical services	-	-	-	72,600	-	72,600
Other purchased services	-	3,315	35,044	-	-	38,359
Supplies and materials	23,851	1,984	-	-	-	25,835
Student activities	31,289	-	-	-	-	31,289
Total	<u>55,140</u>	<u>5,299</u>	<u>63,901</u>	<u>72,600</u>	<u>-</u>	<u>196,940</u>
<b>Capital outlay</b>						
Building	-	-	-	-	-	-
Instructional equipment	-	-	65,394	-	-	65,394
Total	<u>-</u>	<u>-</u>	<u>65,394</u>	<u>-</u>	<u>-</u>	<u>65,394</u>
Total expenditures	<u>\$ 57,620</u>	<u>\$ 24,668</u>	<u>\$ 157,402</u>	<u>\$ 72,600</u>	<u>\$ 138</u>	<u>\$ 312,428</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 811	\$ -	\$ -	\$ -	\$ -	\$ 811
Fund balances, July 1	<u>29,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,104</u>
Fund balances, June 30	<u>\$ 29,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,915</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	ARP IDEA Basic	ARP IDEA Preschool	SDA Emergent and Capital Maintenance Needs	Local Grants	Student Activities	Total Carried Forward
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ 6,730	\$ 32,100	\$ 38,830
State source	-	-	14,698	-	-	14,698
Federal sources	3,053	1,850	-	-	-	4,903
Total revenues	<u>\$ 3,053</u>	<u>\$ 1,850</u>	<u>\$ 14,698</u>	<u>\$ 6,730</u>	<u>\$ 32,100</u>	<u>\$ 58,431</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
General supplies	-	1,850	-	630	-	2,480
Total	<u>-</u>	<u>1,850</u>	<u>-</u>	<u>630</u>	<u>-</u>	<u>2,480</u>
<b>Support services</b>						
Tuition	-	-	-	-	-	-
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
Supplies and materials	3,053	-	14,698	6,100	-	23,851
Student activities	-	-	-	-	31,289	31,289
Total	<u>3,053</u>	<u>-</u>	<u>14,698</u>	<u>6,100</u>	<u>31,289</u>	<u>55,140</u>
<b>Capital outlay</b>						
Building	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 3,053</u>	<u>\$ 1,850</u>	<u>\$ 14,698</u>	<u>\$ 6,730</u>	<u>\$ 31,289</u>	<u>\$ 57,620</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ 811	\$ 811
Fund balances, July 1	-	-	-	-	29,104	29,104
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,915</u>	<u>\$ 29,915</u>

See independent auditors' report.



## **CAPITAL PROJECTS FUND**

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

(NOT APPLICABLE TO THIS REPORT)

## **PROPRIETARY FUND**

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

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

## **FIDUCIARY FUNDS**

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

(NOT APPLICABLE TO THIS REPORT)

## **LONG-TERM DEBT SCHEDULES**

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

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/21	Issued	Retired	Balance 06/30/22
			Date	Amount					
General obligation refunding school bonds of 2017	11/15/17	\$ 3,600,000	01/15/23	\$ 495,000	4.000%	\$ 2,045,000	\$ -	\$ 505,000	\$ 1,540,000
			01/15/24	520,000	4.000%	-	-	-	-
			01/15/25	525,000	4.000%	-	-	-	-
						<u>\$ 2,045,000</u>	<u>\$ -</u>	<u>\$ 505,000</u>	<u>\$ 1,540,000</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations Under Leases**  
**For the Fiscal Year Ended June 30, 2022**

Description	Interest Rate	Amount of Original of Issue	Balance 07/01/21	Issued	Retired	Balance 06/30/22
Energy system improvement plan	2.363%	\$ 2,600,000	\$ 1,666,083	\$ -	\$ 138,089	\$ 1,527,994
			<u>\$ 1,666,083</u>	<u>\$ -</u>	<u>\$ 138,089</u>	<u>\$ 1,527,994</u>

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 436,882	\$ -	\$ 436,882	\$ 436,882	\$ -
State sources					
Debt service aid	149,918	-	149,918	149,918	-
Total revenues	<u>586,800</u>	<u>-</u>	<u>586,800</u>	<u>586,800</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	81,800	-	81,800	81,800	-
Redemption of principal	505,000	-	505,000	505,000	-
Total expenditures	<u>586,800</u>	<u>-</u>	<u>586,800</u>	<u>586,800</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	- -	- -	- -	- -	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

## **STATISTICAL SECTION**



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Statistical Section J Series**

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Government activities										
Net investment in capital assets	\$ 2,580,148	\$ 2,751,359	\$ 2,906,201	\$ 3,547,474	\$ 4,084,810	\$ 4,853,873	\$ 5,808,547	\$ 6,326,853	\$ 7,058,854	\$ 7,030,181
Restricted	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912	4,064,681
Unrestricted	(663,529)	(3,362,881)	(3,440,685)	(3,538,141)	(3,489,388)	(3,554,787)	(3,425,188)	(3,321,869)	(2,705,721)	(1,681,449)
Total governmental activities	<u>\$ 2,517,622</u>	<u>\$ 284,430</u>	<u>\$ 364,673</u>	<u>\$ 425,090</u>	<u>\$ 1,458,134</u>	<u>\$ 2,360,836</u>	<u>\$ 3,556,489</u>	<u>\$ 5,081,451</u>	<u>\$ 7,446,045</u>	<u>\$ 9,413,413</u>
Business-type activities										
Net investment in capital assets	\$ 24,320	\$ 14,636	\$ 6,668	\$ 4,796	\$ 2,925	\$ 1,174	\$ 179	\$ -	\$ -	\$ -
Unrestricted	59,073	59,287	48,414	41,153	26,288	12,408	21,297	25,383	39,555	111,701
Total business-type activities	<u>\$ 83,393</u>	<u>\$ 73,923</u>	<u>\$ 55,082</u>	<u>\$ 45,949</u>	<u>\$ 29,213</u>	<u>\$ 13,582</u>	<u>\$ 21,476</u>	<u>\$ 25,383</u>	<u>\$ 39,555</u>	<u>\$ 111,701</u>
District-wide										
Net investment in capital assets	\$ 2,604,468	\$ 2,765,995	\$ 2,912,869	\$ 3,552,270	\$ 4,087,735	\$ 4,855,047	\$ 5,808,726	\$ 6,326,853	\$ 7,058,854	\$ 7,030,181
Restricted	601,003	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912	4,064,681
Unrestricted	(604,456)	(3,303,594)	(3,392,271)	(3,496,988)	(3,463,100)	(3,542,379)	(3,403,891)	(3,296,486)	(2,666,166)	(1,569,748)
Total district-wide	<u>\$ 2,601,015</u>	<u>\$ 358,353</u>	<u>\$ 419,755</u>	<u>\$ 471,039</u>	<u>\$ 1,487,347</u>	<u>\$ 2,374,418</u>	<u>\$ 3,577,965</u>	<u>\$ 5,106,834</u>	<u>\$ 7,485,600</u>	<u>\$ 9,525,114</u>

\*

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,893,927	\$ 6,601,760	\$ 7,613,489	\$ 7,910,503	\$ 8,368,806	\$ 7,961,570	\$ 7,709,719	\$ 7,283,064	\$ 5,970,776	\$ 6,893,984
Special education	1,039,462	976,196	1,451,427	1,769,666	2,952,136	3,809,930	3,610,405	3,359,475	3,605,520	3,351,482
Other special instruction	235,704	232,347	455,968	778,035	653,234	916,837	744,688	678,737	569,134	589,031
Other instruction	8,933	35,576	30,420	37,620	46,947	93,641	96,976	58,954	55,425	92,942
Support services										
Tuition	6,541,194	6,500,875	7,137,647	6,880,632	6,186,512	6,259,441	6,034,009	5,762,878	5,689,668	5,595,282
Student and instruction related services	1,713,346	1,753,640	1,813,729	2,047,647	2,163,420	2,513,196	2,448,466	2,465,064	3,053,931	2,801,770
General and business administrative services	628,034	688,811	726,105	765,762	713,839	895,058	693,777	670,724	1,697,040	734,601
School administration	705,221	746,416	890,623	978,926	1,119,479	1,228,043	979,070	898,315	645,414	610,910
Plant operations and maintenance	1,349,828	1,449,282	1,381,404	1,285,345	1,383,480	1,599,573	1,453,307	1,308,010	2,396,109	1,081,928
Pupil transportation	845,042	942,179	1,060,410	1,203,671	1,181,826	1,305,574	1,348,293	1,411,263	1,090,336	1,531,998
Transfer to charter schools	-	-	-	-	-	76,004	127,203	151,041	151,690	128,035
Interest on long-term debt	275,906	259,452	280,325	263,557	252,774	232,784	143,014	129,591	87,222	73,205
Total governmental activities expenses	<u>20,236,597</u>	<u>20,186,534</u>	<u>22,841,547</u>	<u>23,921,364</u>	<u>25,022,453</u>	<u>26,891,651</u>	<u>25,388,927</u>	<u>24,177,116</u>	<u>25,012,265</u>	<u>23,485,168</u>
Business-type activities										
Food services	223,129	224,059	218,877	203,262	209,843	206,372	177,659	140,687	95,300	210,263
Total business-type activities	<u>223,129</u>	<u>224,059</u>	<u>218,877</u>	<u>203,262</u>	<u>209,843</u>	<u>206,372</u>	<u>177,659</u>	<u>140,687</u>	<u>95,300</u>	<u>210,263</u>
Total district expenses	<u>\$ 20,459,726</u>	<u>\$ 20,410,593</u>	<u>\$ 23,060,424</u>	<u>\$ 24,124,626</u>	<u>\$ 25,232,296</u>	<u>\$ 27,098,023</u>	<u>\$ 25,566,586</u>	<u>\$ 24,317,803</u>	<u>\$ 25,107,565</u>	<u>\$ 23,695,431</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues										
Governmental activities										
Charges for services	\$ 11,604	\$ 49,706	\$ 68,901	\$ 53,780	\$ 416,067	\$ 370,766	\$ 288,101	\$ 211,237	\$ 125,337	\$ 121,834
Operating grants and contributions	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692	386,847	533,279
Capital grants and contributions	-	-	-	-	-	368,176	-	-	-	-
Total governmental activities	<u>366,267</u>	<u>381,614</u>	<u>373,185</u>	<u>384,570</u>	<u>730,369</u>	<u>1,058,433</u>	<u>593,844</u>	<u>517,929</u>	<u>512,184</u>	<u>655,113</u>
Business-type activities										
Charges for services										
Food service	145,633	148,361	142,244	133,924	131,763	123,635	128,306	83,551	2,391	26,513
Operating grants and contributions	58,615	66,207	57,792	60,044	61,071	66,120	57,020	51,800	107,073	255,896
Total business-type activities	<u>204,248</u>	<u>214,568</u>	<u>200,036</u>	<u>193,968</u>	<u>192,834</u>	<u>189,755</u>	<u>185,326</u>	<u>135,351</u>	<u>109,464</u>	<u>282,409</u>
Total district-wide program revenues	<u>\$ 570,515</u>	<u>\$ 596,182</u>	<u>\$ 573,221</u>	<u>\$ 578,538</u>	<u>\$ 923,203</u>	<u>\$ 1,248,188</u>	<u>\$ 779,170</u>	<u>\$ 653,280</u>	<u>\$ 621,648</u>	<u>\$ 937,522</u>
Net (expense) revenues										
Governmental activities	\$ (19,870,330)	\$ (19,804,920)	\$ (22,468,362)	\$ (23,536,794)	\$ (24,292,084)	\$ (25,833,218)	\$ (24,795,083)	\$ (23,659,187)	\$ (24,500,081)	\$ (22,830,055)
Business-type activities	(18,881)	(9,491)	(18,841)	(9,294)	(17,009)	(16,617)	7,667	(5,336)	14,164	72,146
Total district-wide net expenses	<u>\$ (19,889,211)</u>	<u>\$ (19,814,411)</u>	<u>\$ (22,487,203)</u>	<u>\$ (23,546,088)</u>	<u>\$ (24,309,093)</u>	<u>\$ (25,849,835)</u>	<u>\$ (24,787,416)</u>	<u>\$ (23,664,523)</u>	<u>\$ (24,485,917)</u>	<u>\$ (22,757,909)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 12,362,011	\$ 12,609,251	\$ 12,919,163	\$ 13,258,492	\$ 13,698,655	\$ 13,910,278	\$ 14,188,484	\$ 14,472,254	\$ 14,895,043	\$ 15,267,127
Taxes levied for debt service	537,321	543,598	536,107	520,240	518,156	517,876	488,155	438,452	451,921	436,882
Unrestricted grants and contributions	7,320,869	7,208,671	9,051,461	9,809,299	11,040,473	12,239,143	11,263,157	10,196,628	11,484,998	9,484,708
Investment earnings	35	744	935	1,405	9,676	24,275	41,880	33,405	12,341	15,985
Miscellaneous income	13,176	12,313	40,939	7,775	58,168	44,348	9,060	15,493	20,372	27,225
Special item:										
Transfer in (out)	-	-	-	-	-	-	-	(7,800)	-	-
Loss on disposal of capital assets	(650)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>20,232,762</u>	<u>20,374,577</u>	<u>22,548,605</u>	<u>23,597,211</u>	<u>25,325,128</u>	<u>26,735,920</u>	<u>25,990,736</u>	<u>25,148,432</u>	<u>26,864,675</u>	<u>25,231,927</u>
Business-type activities										
Miscellaneous	-	21	-	-	-	-	-	-	-	-
Special item-loss on disposal of capital assets	(1,333)	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	161	273	986	227	1,443	8	-
Transfer in (out)	-	-	-	-	-	-	-	7,800	-	-
Total business-type activities	<u>(1,333)</u>	<u>21</u>	<u>-</u>	<u>161</u>	<u>273</u>	<u>986</u>	<u>227</u>	<u>9,243</u>	<u>8</u>	<u>-</u>
Total district-wide	<u>\$ 20,231,429</u>	<u>\$ 20,374,598</u>	<u>\$ 22,548,605</u>	<u>\$ 23,597,372</u>	<u>\$ 25,325,401</u>	<u>\$ 26,736,906</u>	<u>\$ 25,990,963</u>	<u>\$ 25,157,675</u>	<u>\$ 26,864,683</u>	<u>\$ 25,231,927</u>
Change in net position										
Governmental activities	\$ 362,432	\$ 569,657	\$ 80,243	\$ 60,417	\$ 1,033,044	\$ 902,702	\$ 1,195,653	\$ 1,489,245	\$ 2,364,594	\$ 2,401,872
Business-type activities	(20,214)	(9,470)	(18,841)	(9,133)	(16,736)	(15,631)	7,894	3,907	14,172	72,146
Total district	<u>\$ 342,218</u>	<u>\$ 560,187</u>	<u>\$ 61,402</u>	<u>\$ 51,284</u>	<u>\$ 1,016,308</u>	<u>\$ 887,071</u>	<u>\$ 1,203,547</u>	<u>\$ 1,493,152</u>	<u>\$ 2,378,766</u>	<u>\$ 2,474,018</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Restricted	\$ 614,946	\$ 894,835	\$ 475,865	\$ 337,046	\$ 835,157	\$ 1,081,394	\$ 1,146,402	\$ 2,155,843	\$ 3,143,184	\$ 4,034,766
Committed	-	9,529	11,125	8,185	129,429	339,170	328,848	243,899	39,515	523,699
Assigned	2,307	10,024	-	-	32,369	-	-	-	90,023	192,363
Unassigned	(193,505)	(190,015)	(295,902)	(243,610)	(143,246)	(114,964)	(44,552)	(19,690)	509,279	561,163
Total general fund	<u>\$ 423,748</u>	<u>\$ 724,373</u>	<u>\$ 191,088</u>	<u>\$ 101,621</u>	<u>\$ 853,709</u>	<u>\$ 1,305,600</u>	<u>\$ 1,430,698</u>	<u>\$ 2,380,052</u>	<u>\$ 3,782,001</u>	<u>\$ 5,311,991</u>
								*		
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,717	\$ 29,104	\$ 29,915
Capital projects fund	-	559,129	2,763,970	78,711	73,927	-	-	-	-	-
Assigned, reported in										
Debt service fund	-	1,107	-	-	-	26,728	26,728	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>	<u>\$ 78,711</u>	<u>\$ 73,927</u>	<u>\$ 26,728</u>	<u>\$ 26,728</u>	<u>\$ 35,717</u>	<u>\$ 29,104</u>	<u>\$ 29,915</u>
								*		

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 12,899,332	\$ 13,152,849	\$ 13,455,270	\$ 13,778,732	\$ 14,216,811	\$ 14,428,154	\$ 14,676,639	\$ 14,910,706	\$ 15,346,964	\$ 15,704,009
Tuition charges	-	-	-	1,795	146,840	210,636	288,101	210,652	106,288	80,800
Transportation charges	-	-	-	-	-	-	-	585	180	2,834
Miscellaneous	22,090	63,424	105,754	63,119	103,773	72,943	54,424	57,314	59,021	82,040
State sources	7,320,869	7,208,671	7,394,979	7,548,963	7,722,565	7,950,945	8,076,392	7,595,909	7,204,807	7,024,263
State sources - capital projects	-	-	-	-	-	368,176	-	-	-	-
Federal sources	351,784	325,266	294,790	327,732	307,490	310,613	302,259	298,276	379,408	517,951
<b>Total revenues</b>	<b>20,594,075</b>	<b>20,750,210</b>	<b>21,250,793</b>	<b>21,720,341</b>	<b>22,497,479</b>	<b>23,341,467</b>	<b>23,397,815</b>	<b>23,073,442</b>	<b>23,096,668</b>	<b>23,411,897</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	4,530,462	4,502,409	4,277,595	4,144,829	4,049,697	3,695,614	3,622,804	3,505,734	3,245,539	3,142,203
Special education instruction	623,344	616,111	778,883	917,848	1,391,491	1,676,912	1,620,151	1,561,720	1,435,839	1,496,946
Other special instruction	129,656	131,565	228,042	353,422	259,194	336,533	301,300	256,982	232,779	242,112
Other instruction	6,100	24,053	19,603	22,808	27,103	50,373	59,001	48,649	42,732	86,652
<b>Support services</b>										
Tuition	6,257,235	6,245,487	6,908,970	6,638,390	5,811,449	5,995,361	5,831,755	5,580,738	5,524,464	5,417,495
<b>Student &amp; instruction related services</b>										
General administration	1,139,792	1,198,637	1,208,427	1,259,426	1,276,851	1,511,578	1,529,507	1,409,583	1,283,685	1,411,320
School administration services	290,952	336,117	333,901	339,001	240,744	283,610	275,729	289,240	314,090	263,226
Central services	461,358	493,329	501,305	510,020	533,241	549,897	500,707	458,568	305,534	297,852
Administrative information technology	195,465	205,729	206,559	223,126	246,536	282,836	250,338	210,383	254,189	250,994
Plant operations and maintenance	8,177	9,833	7,861	9,698	8,540	13,639	14,626	19,940	22,293	23,853
Pupil transportation	1,130,844	1,209,408	1,133,241	1,160,555	1,288,100	1,377,948	1,381,808	1,289,128	1,183,235	1,163,743
Employee benefits	831,961	941,844	1,058,610	1,203,671	1,132,901	1,276,855	1,348,293	1,411,263	1,090,336	1,531,998
On-behalf TPAF Pension and Social Security contribution	2,160,686	2,275,114	2,348,499	2,436,076	2,568,137	2,610,552	2,592,872	2,586,759	2,560,425	2,141,459
Transfer to charter schools	1,265,913	1,068,741	1,217,888	1,379,896	1,507,813	1,760,106	2,028,328	2,058,729	2,361,853	2,854,509
Capital outlay	60,215	56,950	63,736	22,811	22,811	76,004	127,203	151,041	151,690	128,035
Capital projects	220,434	70,322	26,109	22,084	226,174	299,179	683,270	398,923	655,041	268,970
Special revenue funds	-	22,670	783,008	2,724,864	4,784	90,173	-	-	-	-
Debt service	354,663	331,908	304,284	330,790	314,302	319,491	305,743	306,692	392,630	570,668
Principal	440,000	465,000	530,000	574,728	642,083	695,657	659,321	510,000	505,000	505,000
Interest and other charges	285,485	265,911	243,823	221,024	198,224	124,630	139,961	124,661	104,261	84,061
<b>Total expenditures</b>	<b>20,392,742</b>	<b>20,471,138</b>	<b>22,180,344</b>	<b>24,495,067</b>	<b>21,750,175</b>	<b>23,026,948</b>	<b>23,272,717</b>	<b>22,178,733</b>	<b>21,665,615</b>	<b>21,881,096</b>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (deficiency) of revenues over (under) expenditures	\$ 201,333	\$ 279,072	\$ (929,551)	\$ (2,774,726)	\$ 747,304	\$ 314,519	\$ 125,098	\$ 894,709	\$ 1,431,053	\$ 1,530,801
Other financing sources (uses)										
Transfer in (out)	-	-	-	-	-	-	-	(7,800)	-	-
Proceeds from bond issue & refunding bond issue	-	-	-	-	-	3,600,000	-	-	-	-
Premium on bond issue	-	-	-	-	-	274,759	-	-	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	(3,784,586)	-	-	-	-
Lease purchase proceeds	-	581,789	2,600,000	-	-	-	-	-	-	-
Total other financing sources (uses)	-	581,789	2,600,000	-	-	90,173	-	(7,800)	-	-
Net change in fund balances	<u>\$ 201,333</u>	<u>\$ 860,861</u>	<u>\$ 1,670,449</u>	<u>\$ (2,774,726)</u>	<u>\$ 747,304</u>	<u>\$ 404,692</u>	<u>\$ 125,098</u>	<u>\$ 886,909</u>	<u>\$ 1,431,053</u>	<u>\$ 1,530,801</u>
Debt service as a percentage of non-capital expenditures	3.73%	3.72%	3.76%	3.80%	4.06%	3.76%	3.67%	3.00%	2.99%	2.80%

Source: District Records

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

See independent auditors' report.



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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interest income	\$ 35	\$ 734	\$ 844	\$ 1,405	\$ 9,676	\$ 24,275	\$ 41,880	\$ 33,405	\$ 12,341	\$ 15,985
Tuition	-	-	-	1,795	146,840	210,636	288,101	210,652	106,288	80,800
Transportation	-	-	-	-	-	-	-	585	180	2,834
Prior year refunds	6,019	3,692	12,316	2,510	3,030	8,476	1,644	12,105	19,728	24,638
Prior year payables canceled	1,019	8,114	2,641	-	-	-	-	-	-	-
Void prior year checks	-	-	6,623	-	9,249	-	-	-	-	-
Grants/Donations	5,300	-	7,971	-	300	-	3,704	-	-	-
Building use fees	6,000	43,725	53,995	50,673	29,000	15,068	-	-	-	2,225
E-Rate rebates	-	-	11,092	-	10,207	4,924	2,837	1,560	-	-
Book fines	6	205	291	208	97	60	88	137	-	-
ESIP Rebate	-	-	-	-	21,655	887	-	-	-	-
Prior year FEMA refunds	-	-	-	-	9,488	-	-	-	-	-
Miscellaneous	125	302	296	5,265	4,239	6,866	787	1,691	644	362
Annual totals	<u>\$ 18,504</u>	<u>\$ 56,772</u>	<u>\$ 96,069</u>	<u>\$ 61,856</u>	<u>\$ 243,781</u>	<u>\$ 271,192</u>	<u>\$ 339,041</u>	<u>\$ 260,135</u>	<u>\$ 139,181</u>	<u>\$ 126,844</u>

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 17,876,500	\$ 13,211,100	\$ 12,883,600	\$ 11,921,300	\$ 10,256,000	\$ 9,997,600	\$ 9,808,600	\$ 9,863,900	\$ 9,295,700	\$ 9,019,200
Residential	828,498,100	660,238,600	660,580,300	661,887,900	665,387,800	668,143,500	666,771,500	668,118,700	669,047,000	670,415,800
Farm regular	53,342,400	44,767,900	44,274,300	43,811,800	42,688,700	41,191,600	42,367,700	41,420,500	41,047,900	41,534,800
Q farm	2,780,610	2,700,400	2,594,900	2,611,500	2,568,500	2,617,400	2,666,900	2,719,900	2,697,600	2,707,300
Commercial	36,352,300	31,201,100	31,196,800	30,986,700	30,965,700	30,973,800	30,973,800	30,973,800	30,973,800	31,079,200
Industrial	4,170,000	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300
Apartment	15,873,100	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400
<b>Total assessed value</b>	<b>958,893,010</b>	<b>770,311,800</b>	<b>769,722,600</b>	<b>769,411,900</b>	<b>770,059,400</b>	<b>771,116,600</b>	<b>770,781,200</b>	<b>771,289,500</b>	<b>771,254,700</b>	<b>772,949,000</b>
Public utilities (a)	593,543	406,852	-	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 959,486,553</b>	<b>\$ 770,718,652</b>	<b>\$ 769,722,600</b>	<b>\$ 769,411,900</b>	<b>\$ 770,059,400</b>	<b>\$ 771,116,600</b>	<b>\$ 770,781,200</b>	<b>\$ 771,289,500</b>	<b>\$ 771,254,700</b>	<b>\$ 772,949,000</b>
Estimated actual county equalized value	\$ 884,947,944	\$ 800,770,196	\$ 815,789,959	\$ 835,486,916	\$ 847,314,185	\$ 872,415,145	\$ 879,522,154	\$ 886,753,820	\$ 885,584,675	\$ 938,455,023
Percentage of net valuation to estimated actual equalized value	108.42%	96.25%	94.35%	92.09%	90.88%	88.39%	87.64%	86.98%	87.09%	82.36%
Regional school tax rate by constituent district (b)										
Independence Township	\$ 1.201	\$ 1.700	\$ 1.785	\$ 1.818	\$ 1.897	\$ 1.888	\$ 1.938	\$ 1.965	\$ 2.061	\$ 2.071
Liberty Township	\$ 1.803	\$ 1.830	\$ 1.802	\$ 1.905	\$ 1.831	\$ 1.927	\$ 1.937	\$ 2.038	\$ 1.991	\$ 2.064

Source: Municipal Tax Assessor

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

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

\* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 11,240,300	\$ 7,238,900	\$ 7,086,400	\$ 6,480,400	\$ 6,182,900	\$ 5,846,500	\$ 5,817,800	\$ 5,797,600	\$ 5,270,100	\$ 5,270,100
Residential	595,375,400	427,583,300	428,317,600	428,718,500	432,070,000	433,039,200	433,080,200	434,099,600	435,053,700	436,515,500
Farm regular	29,659,700	21,344,100	20,818,200	20,930,400	20,007,000	19,739,000	19,683,900	19,121,500	18,936,600	18,921,300
Q farm	2,101,410	2,020,900	1,934,500	1,949,200	1,905,100	1,905,100	1,905,500	1,964,700	1,908,800	1,910,500
Commercial	29,700,500	24,811,900	24,807,600	24,597,500	24,696,900	24,705,000	24,705,000	24,626,000	24,626,000	24,731,400
Industrial	3,861,200	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500
Apartment	15,564,300	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600
<b>Total assessed value</b>	<b>687,502,810</b>	<b>500,574,200</b>	<b>500,539,400</b>	<b>500,251,100</b>	<b>502,437,000</b>	<b>502,809,900</b>	<b>502,767,500</b>	<b>503,184,500</b>	<b>503,370,300</b>	<b>504,923,900</b>
Public utilities (a)	593,543	406,852	-	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 688,096,353</b>	<b>\$ 500,981,052</b>	<b>\$ 500,539,400</b>	<b>\$ 500,251,100</b>	<b>\$ 502,437,000</b>	<b>\$ 502,809,900</b>	<b>\$ 502,767,500</b>	<b>\$ 503,184,500</b>	<b>\$ 503,370,300</b>	<b>\$ 504,923,900</b>
Estimated actual county equalized value	\$ 602,188,582	\$ 535,923,248	\$ 558,887,226	\$ 561,260,070	\$ 573,427,300	\$ 593,076,079	\$ 593,726,382	\$ 590,453,532	\$ 588,806,059	\$ 621,368,324
Percentage of net valuation to estimated actual equalized value	114.27%	93.48%	89.56%	89.13%	87.62%	84.78%	84.68%	85.22%	85.49%	81.26%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.201</b>	<b>\$ 1.700</b>	<b>\$ 1.785</b>	<b>\$ 1.818</b>	<b>\$ 1.897</b>	<b>\$ 1.888</b>	<b>\$ 1.938</b>	<b>\$ 1.965</b>	<b>\$ 2.061</b>	<b>\$ 2.071</b>

Source: Municipal Tax Assessor

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

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

\* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 6,636,200	\$ 5,972,200	\$ 5,797,200	\$ 5,440,900	\$ 4,073,100	\$ 4,151,100	\$ 3,990,800	\$ 4,066,300	\$ 4,025,600	\$ 3,749,100
Residential	233,122,700	232,655,300	232,262,700	233,169,400	233,317,800	235,104,300	233,691,300	234,019,100	233,993,300	233,900,300
Farm regular	23,682,700	23,423,800	23,456,100	22,881,400	22,681,700	21,452,600	22,683,800	22,299,000	22,111,300	22,613,500
Q farm	679,200	679,500	660,400	662,300	663,400	712,300	761,400	755,200	788,800	796,800
Commercial	6,651,800	6,389,200	6,389,200	6,389,200	6,268,800	6,268,800	6,268,800	6,347,800	6,347,800	6,347,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
<b>Total assessed value</b>	<b>271,081,400</b>	<b>269,428,800</b>	<b>268,874,400</b>	<b>268,852,000</b>	<b>267,313,600</b>	<b>267,997,900</b>	<b>267,704,900</b>	<b>267,796,200</b>	<b>267,575,600</b>	<b>267,716,300</b>
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 271,081,400</b>	<b>\$ 269,428,800</b>	<b>\$ 268,874,400</b>	<b>\$ 268,852,000</b>	<b>\$ 267,313,600</b>	<b>\$ 267,997,900</b>	<b>\$ 267,704,900</b>	<b>\$ 267,796,200</b>	<b>\$ 267,575,600</b>	<b>\$ 267,716,300</b>
Estimated actual county equalized value	\$ 282,759,362	\$ 264,846,948	\$ 256,902,733	\$ 274,226,846	\$ 273,886,885	\$ 279,339,066	\$ 285,795,772	\$ 296,300,288	\$ 296,778,616	\$ 317,086,699
Percentage of net valuation to estimated actual equalized value	95.87%	101.73%	104.66%	98.04%	97.60%	95.94%	93.67%	90.38%	90.16%	84.43%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.803</b>	<b>\$ 1.830</b>	<b>\$ 1.802</b>	<b>\$ 1.905</b>	<b>\$ 1.831</b>	<b>\$ 1.927</b>	<b>\$ 1.937</b>	<b>\$ 2.038</b>	<b>\$ 1.991</b>	<b>\$ 2.064</b>

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Municipality	County	
			Total Direct School Tax Rate				
2013	\$ 1.151	\$ 0.050	\$ 1.201	\$ 0.344	\$ 0.622	\$ 2.167	
2014	* 1.630	0.070	1.700	0.500	0.830	3.030	
2015	1.715	0.070	1.785	0.513	0.870	3.168	
2016	1.748	0.070	1.818	0.537	0.860	3.215	
2017	1.827	0.070	1.897	0.554	0.873	3.324	
2018	1.828	0.060	1.888	0.562	0.865	3.315	
2019	1.874	0.064	1.938	0.573	0.849	3.360	
2020	1.906	0.059	1.965	0.579	0.828	3.372	
2021	2.000	0.061	2.061	0.584	0.821	3.466	
2022	2.013	0.058	2.071	0.594	0.840	3.505	

Sources: Municipal Tax Collector

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

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

\* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Municipality		County
			Total Direct School Tax Rate				
2013	\$ 1.733	\$ 0.070	\$ 1.803	\$ 0.335	\$ 0.747	\$ 2.885	
2014	1.760	0.070	1.830	0.340	0.760	2.930	
2015	1.732	0.070	1.802	0.334	0.745	2.881	
2016	1.835	0.070	1.905	0.333	0.781	3.019	
2017	1.761	0.070	1.831	0.338	0.784	2.953	
2018	1.857	0.070	1.927	0.337	0.764	3.028	
2019	1.875	0.062	1.937	0.347	0.767	3.051	
2020	1.977	0.061	2.038	0.350	0.780	3.168	
2021	1.932	0.059	1.991	0.356	0.777	3.124	
2022	2.007	0.057	2.064	0.366	0.808	3.238	

Sources: Municipal Tax Collector

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

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

See independent auditors' report.

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

	2022			2013		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Towpath Associates LLC	\$ 12,542,900	1	2.48%	\$ 12,100,000	1	1.76%
Extra Space Properties Eighty LLC	4,664,000	2	0.92%	4,900,000	2	0.71%
Axar Properties LLC	3,854,800	3	0.76%	4,124,000	3	0.60%
Kamping LLC	1,688,000	4	0.33%	-		-
NUJA Realty Corp	1,396,600	5	0.28%	1,849,100	5	0.27%
Individual property owner #1	1,289,100	6	0.26%	1,623,431	6	0.24%
Individual property owner #2	1,023,800	7	0.20%	1,606,200	7	0.23%
SMM Independence LLC	948,500	8	0.19%	-		-
Crown Atlantic Co. LLC	931,200	9	0.18%	-		-
First Hope Bank	884,600	10	0.18%	-		-
Saloga LP	-		-	1,898,200	4	0.28%
Individual property owner #3	-		-	1,483,354	8	0.22%
Individual property owner #4	-		-	1,314,400	9	0.19%
Individual property owner #5	-		-	1,240,200	10	0.18%
	<u>\$ 29,223,500</u>		<u>5.78%</u>	<u>\$ 32,138,885</u>		<u>4.68%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Rapid Funding LLC	\$ 1,054,600	1	0.39%	\$ -	
Individual property owner	647,900	2	0.24%	647,900	2	0.24%
Individual property owner	550,700	3	0.20%	566,400	3	0.21%
Individual property owner	540,000	4	0.20%	566,300	4	0.21%
Individual property owner	537,800	5	0.20%	560,300	5	0.21%
Individual property owner	525,300	6	0.20%	540,000	6	0.20%
Individual property owner	504,500	7	0.19%	537,800	7	0.20%
Topp Orange LLC	499,300	8	0.19%	504,500	10	0.19%
Individual property owner	494,000	9	0.18%	528,200	8	0.19%
Individual property owner	487,100	10	0.18%	525,300	9	0.19%
Pryslak Farms	-		-	1,064,600	1	0.39%
	<u>\$ 5,841,200</u>		<u>2.17%</u>	<u>\$ 6,041,300</u>		<u>2.23%</u>

Source: Municipal Tax Assessor

See independent auditors' report.



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

Year Ended June 30,	Taxes Levied for the Year		Collected within the Year of the Levy (a)	
	Township of Independence	Township of Liberty	Amount	Percentage of Levy
2013	\$ 8,018,233	\$ 4,881,099	\$ 12,899,332	100.00%
2014	8,266,020	4,886,829	13,152,849	100.00%
2015	8,520,575	4,934,695	13,455,270	100.00%
2016	8,932,297	4,846,435	13,778,732	100.00%
2017	9,095,701	5,121,110	14,216,811	100.00%
2018	9,533,608	4,894,546	14,428,154	100.00%
2019	9,505,968	5,170,671	14,676,639	100.00%
2020	9,730,712	5,179,994	14,910,706	100.00%
2021	9,889,180	5,457,784	15,346,964	100.00%
2022	10,378,004	5,326,005	15,704,009	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2013	\$ 6,160,000	\$ -	\$ -	\$ -	\$ -	\$ 6,160,000	1.55%	\$ 727
2014	5,695,000	-	581,789	-	-	6,276,789	1.58%	747
2015	5,215,000	-	3,131,789	-	-	8,346,789	2.03%	994
2016	4,735,000	-	2,931,208	-	-	7,666,208	1.81%	916
2017	4,235,000	-	2,592,654	-	-	6,827,654	1.60%	822
2018	3,570,000	-	2,249,058	-	-	5,819,058	1.32%	703
2019	3,060,000	-	1,951,803	-	-	5,011,803	1.10%	607
2020	2,550,000	-	1,795,559	-	-	4,345,559	0.93%	528
2021	2,045,000	-	1,666,083	-	-	3,711,083	0.75%	451
2022	1,540,000	-	1,527,994	-	-	3,067,994	N/A	376

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 6,160,000	\$ -	\$ 6,160,000	0.64%	\$ 727
2014	5,695,000	-	5,695,000	0.74%	678
2015	5,215,000	-	5,215,000	0.68%	621
2016	4,735,000	-	4,735,000	0.62%	566
2017	4,235,000	-	4,235,000	0.55%	510
2018	3,570,000	-	3,570,000	0.46%	431
2019	3,060,000	-	3,060,000	0.40%	370
2020	2,550,000	-	2,550,000	0.33%	310
2021	2,045,000	-	2,045,000	0.27%	249
2022	1,540,000	-	1,540,000	0.20%	189

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

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

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2021**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Township of Independence	\$ 419,000	100%	\$ 419,000
Township of Liberty	-	100%	-
County general obligation debt	1,305,000	8%	<u>102,996</u>
Subtotal, overlapping debt			521,996
School district direct debt	2,045,000	100%	<u>2,045,000</u>
Total direct and overlapping debt			<u><u>\$ 2,566,996</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis
	2021      \$    936,376,488
	2020                 885,612,016
	2019                 886,163,480
	\$    2,708,151,984
Average equalized valuation of taxable property	\$    902,717,328
Debt limit (3.0% of average equalization value)	\$    27,081,520
Total net debt applicable to limit	1,540,000
Legal debt margin	\$    25,541,520

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit	\$ 25,534,909	\$ 25,975,427	\$ 26,373,105	\$ 26,516,605	\$ 27,081,520
Total net debt applicable	3,570,000	3,060,000	2,550,000	2,045,000	1,540,000
Legal debt margin	\$ 21,964,909	\$ 22,915,427	\$ 23,823,105	\$ 24,471,605	\$ 25,541,520
Total net debt applicable to the limit as a percentage of debt limit	13.98%	11.78%	9.67%	7.71%	5.69%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 28,613,919	\$ 26,905,847	\$ 25,420,239	\$ 24,870,352	\$ 24,985,874
Total net debt applicable	6,160,000	5,695,000	5,215,000	4,735,000	4,235,000
Legal debt margin	\$ 22,453,919	\$ 21,210,847	\$ 20,205,239	\$ 20,135,352	\$ 20,750,874
Total net debt applicable to the limit as a percentage of debt limit	21.53%	21.17%	20.52%	19.04%	16.95%

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

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

See independent auditors' report.

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

Year	Township of Independence Population (a)	Township of Liberty Population (a)	Township of Independence Personal Income (b)	Township of Liberty Personal Income (b)	Per Capita Personal Income (c)	Township of Independence Unemployment Rate (d)	Township of Liberty Unemployment Rate (d)
2013	5,571	2,902	\$ 260,951,211	\$ 135,932,582	\$ 46,841	5.6%	6.9%
2014	5,530	2,872	261,143,190	135,624,456	47,223	6.1%	6.3%
2015	5,530	2,867	270,345,110	140,159,029	48,887	5.1%	5.7%
2016	5,513	2,855	279,735,133	144,865,555	50,741	4.0%	4.3%
2017	5,470	2,836	281,721,410	146,062,508	51,503	3.6%	4.2%
2018	5,452	2,823	289,768,348	150,039,627	53,149	3.2%	3.8%
2019	5,440	2,821	299,053,120	155,078,833	54,973	2.9%	3.1%
2020	5,421	2,813	308,758,476	160,217,228	56,956	7.8%	8.1%
2021	5,413	2,812	327,621,825	170,196,300	60,525	5.6%	4.6%
2022	5,481	2,680	N/A	N/A	N/A	N/A	N/A

## Sources:

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

See independent auditors' report.

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

2022

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2013

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	65.6	65.6	65.6	65.6	65.6	65.6	64.0	45.0	43.0	38.0
Special education	17.6	17.6	14.6	14.6	14.6	15.6	18.0	41.0	39.4	39.6
Support services										
Student and instruction related services	23.0	23.0	23.0	23.0	23.0	23.0	27.0	19.3	17.0	15.2
General administration	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.7	1.5
School administration services	6.0	7.0	7.0	7.0	7.0	7.0	6.7	6.7	4.7	5.5
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.7	2.5
Plant operations and maintenance	12.0	12.0	11.0	11.0	11.0	11.0	11.4	11.3	9.6	7.0
Total	<u>130.2</u>	<u>131.2</u>	<u>127.2</u>	<u>127.2</u>	<u>127.2</u>	<u>128.2</u>	<u>132.1</u>	<u>127.9</u>	<u>119.1</u>	<u>110.3</u>

Source: District Personnel Records

See independent auditors' report.



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b)	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	851	\$ 19,446,823	\$ 22,852	2.62%	85	1 to 10	846.1	809.9	-2.83%	95.72%
2014	811	19,647,235	24,226	6.01%	85	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85	1 to 9	754.9	723.8	-6.00%	95.88%
2016	714	20,952,367	29,345	8.28%	85	1 to 8	711.0	683.4	-5.82%	96.12%
2017	714	20,678,910	28,962	-1.31%	85	1 to 8	713.8	685.3	0.39%	96.01%
2018	690	21,817,309	31,619	9.17%	86	1 to 8	692.3	659.6	-3.01%	95.28%
2019	660	21,790,165	33,015	4.42%	82	1 to 8	651.5	615.7	-5.90%	94.51%
2020	638	21,145,149	33,143	0.39%	67	1 to 10	631.8	603.8	-3.02%	95.57%
2021	616	20,401,313	33,119	-0.07%	65	1 to 9	612.8	589.5	-3.02%	96.20%
2022	634	21,023,065	33,159	0.12%	57	1 to 11	655.5	614.8	6.98%	93.79%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

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

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary										
<u>Liberty School (1972)</u>										
Square feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (students)	296	296	296	296	296	296	296	296	296	296
Enrollment	294	287	262	240	219	225	197	-	-	-
<u>Central School (1918)</u>										
Square feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	233	229	200	199	221	205	218	287	282	298
Middle										
<u>Great Meadows Middle School (1998)</u>										
Square feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (students)	564	564	564	564	564	564	564	564	564	564
Enrollment	322	296	297	279	269	260	245	345	337	336
<u>Number of schools at June 30, 2022</u>										
Elementary	2									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ended	School Facilities*			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2013	\$ 88,513	\$ 82,517	\$ 74,093	\$ 245,123
2014	58,306	51,767	111,719	221,792
2015	48,322	70,541	68,444	187,307
2016	53,500	47,292	65,675	166,467
2017	64,943	52,784	94,075	211,802
2018	69,175	79,334	98,483	246,992
2019	81,549	105,186	68,414	255,149
2020	30,340	133,508	115,264	279,112
2021	30,300	207,103	80,188	317,591
2022	45,043	70,581	193,088	308,712
Total school facilities	<u>\$ 569,991</u>	<u>\$ 900,613</u>	<u>\$ 969,443</u>	<u>\$ 2,440,047</u>

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

Source: District Records

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2022**  
**(Unaudited)**

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

Source: District Records

See independent auditors' report.

**SINGLE AUDIT SECTION**

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART I**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



**BKC, CPAs, PC**



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

March 14, 2023  
Flemington, New Jersey





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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Great Meadows Regional School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The 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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards 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 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 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 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 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB's Circulars 15-08 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 judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 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 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 the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 a 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 the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



**BKC, CPAs, PC**



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

March 14, 2023  
Flemington, New Jersey

**SUPPLEMENTARY INFORMATION**

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2022**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/21	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2022				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027	H027A210100	IDEA-1785-22	\$ 216,682	07/01/21	06/30/22	\$ -	\$ -	\$ 155,781	\$ 186,305	\$ -	\$ -	\$ (30,524)	\$ -	\$ -		
IDEA Basic	84.027	H027A200100	IDEA-1785-21	202,292	07/01/20	06/30/21	(35,808)	-	43,816	8,008	-	-	-	-	-		
IDEA Preschool	84.173A	H173A200114	IDEA-1785-22	6,229	07/01/21	06/30/22	-	-	3,050	6,220	-	-	(3,170)	-	-		
Total special education cluster (IDEA)							(35,808)	-	202,647	200,533	-	-	(33,694)	-	-		
ESSA Title I A	84.010A	S020A200030	ESSA-1785-21	83,339	07/01/20	06/30/21	(18,460)	-	19,549	1,089	-	-	-	-	-		
ESSA Title I A	84.010A	S020A210030	ESSA-1785-22	141,724	07/01/21	06/30/22	-	-	96,587	99,380	-	-	(2,793)	-	-		
ESSA Title II A	84.367A	S367A200029	ESSA-1785-21	25,341	07/01/20	06/30/21	(14,029)	-	14,029	-	-	-	-	-	-		
ESSA Title II A	84.367A	S367A210029	ESSA-1785-22	33,918	07/01/21	06/30/22	-	-	11,308	19,497	-	-	(8,189)	-	-		
ESSA Title IV A	84.424	S424A190031	ESSA-1785-20	13,686	07/01/19	06/30/20	1,932	-	-	-	-	1,932	-	-	-		
ESSA Title IV A	84.424	S424A200031	ESSA-1785-21	13,142	07/01/20	06/30/21	(8,684)	-	8,684	-	-	-	-	-	-		
ESSA Title IV A	84.424	S424A210031	ESSA-1785-22	14,458	07/01/21	06/30/22	-	-	11,101	11,101	-	-	-	-	-		
COVID-19																	
CARES Emergency Relief	84.425D	S425D200027	CARES-1785-22	57,201	03/13/20	09/30/22	(4,071)	-	5,996	1,925	-	-	-	-	-		
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-1785-23	234,475	03/13/20	09/30/23	-	-	5,602	18,060	-	-	(12,458)	-	-		
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-1785-23	25,000	03/13/20	09/30/23	-	-	19,506	19,506	-	-	-	-	-		
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-1785-23	45,000	03/13/20	09/30/23	-	-	23,487	24,668	-	-	(1,181)	-	-		
ARP - ESSER																	
ARP - ESSER	84.425U	S425U210027	ESSER-1785-24	526,968	03/13/20	09/30/24	-	-	130,076	157,402	-	-	(27,326)	-	-		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-1785-24	75,336	03/13/20	09/30/24	-	-	-	72,600	-	-	(72,600)	-	-		
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	ESSER-1785-24	40,000	03/13/20	09/30/24	-	-	-	138	-	-	(138)	-	-		
ARP IDEA Basic	84.027X	H027X210100	ARP-1785-22	28,043	07/01/21	09/30/22	-	-	3,053	3,053	-	-	-	-	-		
ARP IDEA Preschool	84.173X	H173X210114	ARP-1785-22	2,390	07/01/21	09/30/22	-	-	-	1,850	-	-	(1,850)	-	-		
Coronavirus Relief Fund	84.425	S425D200027	CARES-1785-21	36,150	07/01/20	06/30/21	90	-	-	-	-	-	-	90	-		
Total Special Revenue Fund							(79,030)	-	551,625	630,802	-	1,932	(160,229)	90	-		
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	8,787	10/01/20	09/30/21	4,246	-	-	4,246	-	-	-	-	-		
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	11,625	10/01/21	09/30/22	-	-	11,625	10,326	-	-	-	1,299	-		
Cash Assistance	10.555	211NJ304N1099	N/A	94,841	10/01/20	09/30/21	(13,119)	-	13,119	-	-	-	-	-	-		
Cash Assistance	10.555	221NJ304N1099	N/A	221,120	10/01/21	09/30/22	-	-	204,766	221,120	-	-	(16,354)	-	-		
National Breakfast Program	10.553	221NJ304N1099	N/A	13,822	10/01/21	09/30/22	-	-	13,577	13,822	-	-	(245)	-	-		
Total Child Nutrition Cluster							(8,873)	-	243,087	249,514	-	-	(16,599)	1,299	-		
P-EBT Administrative	10.649	2022225900941	N/A	1,242	10/01/21	09/30/22	-	-	1,242	1,242	-	-	-	-	-		
Total Enterprise Fund							(8,873)	-	244,329	250,756	-	-	(16,599)	1,299	-		
Total Federal Awards							\$ (87,903)	\$ -	\$ 795,954	\$ 881,558	\$ -	\$ 1,932	\$ (176,828)	\$ 1,389	\$ -		

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2022**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2022			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	22-495-034-5120-014	\$ 147,093	07/01/21	06/30/22	\$ -	\$ -	\$ 132,394	\$ 147,093	\$ -	\$ -	\$ -	\$ -	\$ 14,699	\$ 147,093
Equalization Aid	22-495-034-5120-078	2,262,332	07/01/21	06/30/22	-	-	2,036,255	2,262,332	-	-	-	-	226,077	2,262,332
Special Education Aid	22-495-034-5120-089	763,471	07/01/21	06/30/22	-	-	687,176	763,471	-	-	-	-	76,295	763,471
Security Aid	22-495-034-5120-084	105,232	07/01/21	06/30/22	-	-	94,716	105,232	-	-	-	-	10,516	105,232
Extraordinary Special Education Costs Aid	21-495-034-5120-044	266,545	07/01/20	06/30/21	(266,545)	-	266,545	-	-	-	-	-	-	266,545
Extraordinary Special Education Costs Aid	22-495-034-5120-044	232,776	07/01/21	06/30/22	-	-	-	232,776	-	(232,776)	-	-	-	232,776
Non-Public Transportation Aid	21-495-034-5120-014	6,670	07/01/20	06/30/21	(6,670)	-	6,670	-	-	-	-	-	-	6,670
Non-Public Transportation Aid	22-495-034-5120-014	7,830	07/01/21	06/30/22	-	-	-	7,830	-	(7,830)	-	-	-	7,830
Education Rescue Grant	22-495-034-5120-000	382,890	07/01/21	06/30/22	-	-	382,890	382,890	-	-	-	-	-	382,890
On-Behalf TPAF Pension Contribution - Post Retirement Medical	22-495-034-5094-001	468,726	07/01/21	06/30/22	-	-	468,726	468,726	-	-	-	-	-	468,726
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	22-495-034-5094-004	27,911	07/01/21	06/30/22	-	-	27,911	27,911	-	-	-	-	-	27,911
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	22-495-034-5094-002	1,978,276	07/01/21	06/30/22	-	-	1,978,276	1,978,276	-	-	-	-	-	1,978,276
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	22-495-034-5094-004	791	07/01/21	06/30/22	-	-	791	791	-	-	-	-	-	791
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	378,805	07/01/21	06/30/22	-	-	378,805	378,805	-	-	-	-	-	378,805
Total General Fund					(273,215)	-	6,461,155	6,756,133	-	(240,606)	-	-	327,587	7,029,348
State Department of Education														
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	14,698	7/1/2021	6/30/2022	-	-	14,698	14,698	-	-	-	-	-	14,698
Total Special Revenue Fund														
Debt Service Fund														
Debt Service Aid - State Support	22-495-034-5120-017	149,918	07/01/21	06/30/22	-	-	149,918	149,918	-	-	-	-	-	149,918
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	21-100-010-3350-023	5,663	07/01/20	06/30/21	(932)	-	932	-	-	-	-	-	-	5,663
State School Lunch Program	22-100-010-3350-023	5,140	07/01/21	06/30/22	-	-	4,766	5,140	-	(374)	-	-	-	5,140
Total Enterprise Fund					(932)	-	5,698	5,140	-	(374)	-	-	-	10,803

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B (continued)**  
**For the Fiscal Year Ended June 30, 2022**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021			Budgetary Expenditure	Adjustments	Balance June 30, 2022			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					\$ (274,147)	\$ -	\$ 6,631,469	\$ 6,925,889	\$ -	\$ (240,980)	\$ -	\$ -	\$ 327,587	\$ 7,204,767
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	22-495-034-5094-002							1,978,276						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	22-495-034-5094-004							27,911						
On-Behalf TPAF Pension Contribution - Postretirement Medical	22-495-034-5094-001							468,726						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	22-495-034-5094-004							791						
Total for State Financial Assistance - Major Program Determination								<u>\$ 4,450,185</u>						

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2022**

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$103,514 for the general fund and (\$112,851) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2022**

Note 3 - Relationship to basic financial statements (continued)

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

	Federal	State	Total
General fund	\$ -	\$ 6,859,647	\$ 6,859,647
Special revenue fund	517,951	14,698	532,649
Debt service fund	-	149,918	149,918
Food service fund	250,756	5,140	255,896
Total awards and financial assistance	<u>\$ 768,707</u>	<u>\$ 7,029,403</u>	<u>\$ 7,798,110</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2022.

Note 6 - Indirect Costs

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

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART II**

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

Noncompliance material to basic financial statements noted?

Yes  No

Federal Awards

Internal Control Over Major Programs:

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

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

Unmodified

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

Yes  No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster:</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>221NJ304N1099</u>	<u>National School Breakfast Program</u>
		<u>IDEA Cluster:</u>
<u>84.027</u>	<u>H027A210100</u>	<u>IDEA Basic</u>
<u>84.173A</u>	<u>H027A200100</u>	<u>IDEA Pre-School</u>

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

\$750,000

Did the auditee qualify as a low-risk auditee?

Yes  No

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022**

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes    \_\_\_ No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? \_\_\_ Yes    X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes    X None reported

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

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? \_\_\_ Yes    X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<i>22-495-034-5120-078</i>	<i>State Aid Public Cluster:</i>
<i>22-495-034-5120-089</i>	<i>Equalization Aid</i>
<i>22-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
	<i>Security Aid</i>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2022.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2022.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2022**

Status of Prior Year Findings

There were no prior year findings or questioned costs.