

**CITY OF SALEM
SCHOOL DISTRICT**



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

CITY OF SALEM SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9
Required Supplementary Information - Part I Management's Discussion and Analysis	16
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	34
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	70
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	79
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	84
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	86

CITY OF SALEM SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability - PERS	88
L-2 Schedule of the School District's Contributions - PERS	89
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability - TPAF	90
L-4 Schedule of the School District's Contributions - TPAF	91
L-5 Notes to the Required Supplementary Information - Part III	92
Other Supplementary Information - Part IV	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	94
M-2 Notes to the Required Supplementary Information - Part IV	95
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	98
D-2 Blended Resource Fund – Combined Schedule of Expenditures Allocated by Resource Type - Actual	99
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	103
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	127
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	130
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status	N/A

CITY OF SALEM SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)		Page
Other Supplementary Information (Cont'd)		
G. Proprietary Funds:		
Enterprise Fund:		
G-1	Combining Statement of Net Position	133
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	134
G-3	Combining Statement of Cash Flows	135
Internal Service Fund:		
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:		
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:		
I-1	Schedule of Serial Bonds	137
I-2	Schedule of Obligations Under Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	138
STATISTICAL SECTION (Unaudited)		
Introduction to the Statistical Section		
Financial Trends		
J-1	Net Position by Component	141
J-2	Changes in Net Position	142
J-3	Fund Balances - Governmental Funds	144
J-4	Changes in Fund Balances - Governmental Funds	145
J-5	General Fund Other Local Revenue by Source	146
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	148
J-7	Direct and Overlapping Property Tax Rates	149
J-8	Principal Property Taxpayers	150
J-9	Property Tax Levies and Collections	151
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	153
J-11	Ratios of General Bonded Debt Outstanding	154
J-12	Direct and Overlapping Governmental Activities Debt	155
J-13	Legal Debt Margin Information	156

CITY OF SALEM SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	158
J-15 Principal Employers	159
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	161
J-17 Operating Statistics	162
J-18 School Building Information	163
J-19 Schedule of Required Maintenance Expenditures by School Facility	164
J-20 Insurance Schedule	165
SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB	167
K-3 Schedule of Expenditures of Federal Awards, Schedule A	170
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	172
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	176
K-6 Schedule of Findings and Questioned Costs:	
Section 1 - Summary of Auditor's Results	178
Section 2 - Schedule of Financial Statement Findings	180
Section 3 - Schedule of Federal Award Findings and Questioned Costs	181
Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs	183
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	185

INTRODUCTORY SECTION

Salem City School District

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

Dr. Amiot Patrick Michel
Superintendent

Herbert Schectman
Business Administrator

Dr. Meghan Taylor
Director of Special Services

March 16, 2023

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

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

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

1. Reporting Entity And Its Services:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and special education services for children. The District completed the 2021-2022 fiscal year with an average daily enrollment of 1,242 students, which represents an decrease of 61 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five fiscal years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2021-2022	1,242	(4.68)%
2020-2021	1,303	5.51%
2019-2020	1,235	0.24%
2018-2019	1,232	5.48%
2017-2018	1,168	2.62%

2. Economic Condition and Outlook:

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

3. Major Initiatives:

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

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

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 21-22 fiscal year. The District had sent out a Request for Proposals at the end of the prior year for the 21-22 fiscal year and the lowest responsible bidder was Metz Food Management.

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

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

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

4. Internal Accounting Controls:

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

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

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

5. Budgetary Controls:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 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. These funds are explained in "Notes to the Financial Statements", Note 1.

7. Cash Management:

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

8. Risk Management:

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

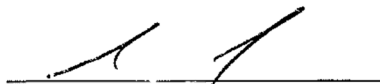
9. Other Information:

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

10. Acknowledgements:

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

Respectfully submitted,



Dr. Amiot Michel
Superintendent

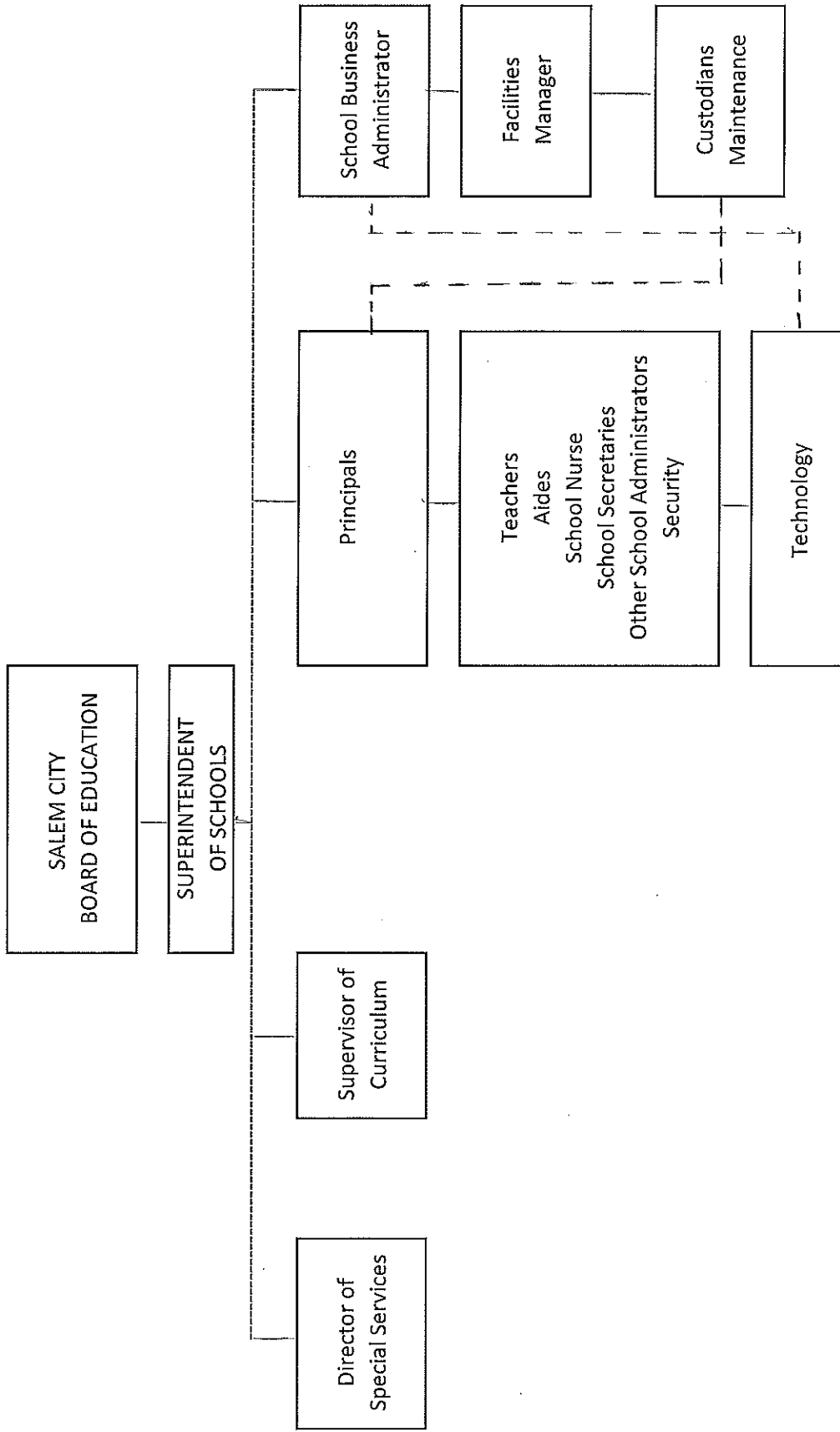
Respectfully submitted,



Herbert G. Schectman
School Business Administrator

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT



CITY OF SALEM SCHOOL DISTRICT
SALEM, NEW JERSEY
JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yuenge Groce, President	2022
Carol Adams, Vice President	2024
Kendra Fletcher	2023
Daffonie Moore	2023
Joan Hoolahan	2024
Nilda Wilkins	2022
Christopher Colon	2024
Laquendala Bentley	2023
Heidi Holden	2022
<u>Sending District Members</u>	
Joanne Nacucchio, Quinton	2022
Denise DiTeodor, Mannington	2022
Jenni Eber, Lower Alloways Creek	2022
<u>Other Officials</u>	
Dr. Amiot Michel, Chief School Administrator	
Herbert Schectman, Board Secretary/School Business Administrator	
Robin Winrow, Treasurer of School Monies	
Corey Ahart, Esquire, Solicitor	

CITY OF SALEM SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2022

Audit Firm

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

Attorney

Corey Ahart, Esq.
2617 Hadley Drive
Pennsauken, NJ 08052

Official Depository

Franklin Savings Bank
137 W. Broadway
Salem, NJ 08079

Insurance Agent

Conner Strong & Buckelew
401 Rt. 73 North, Suite 300
P. O. Box 989
Marlton, NJ 08053

Doctor

Joseph LaCavera, III, D.O.
494 Barretts Run Road
Bridgeton, NJ 08302

Architect

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

Regan Young England Butera, PC
456 High Street
Mt. Holly, NJ 08060

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Salem School District, in the County of Salem, State of New Jersey, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Salem School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

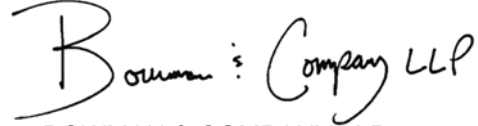
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

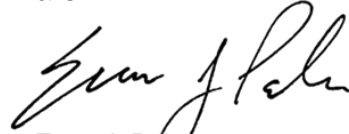
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 on our consideration of the City of Salem School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Salem School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Salem School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 16, 2023

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 16, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as Finding No. 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

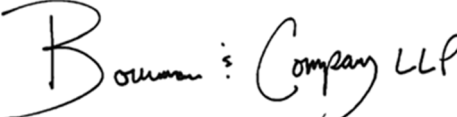
The City of Salem School District's Response to the Finding

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

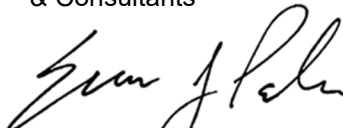
Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 16, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

This section of the City of Salem School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes to the financial statements, which immediately follow this section.

Financial Highlights

Financial Highlights for fiscal year 2022:

- During the fiscal year ended June 30, 2022, the School District continued seeing the effects of the public health emergency which altered a lot of the district's operations. The full impact of the emergency on the District has yet to be realized, but it continuing to be assessed.

Overview of the Financial Statements

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

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

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

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

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

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

Government-Wide Statements

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Government-Wide Statements (Cont'd)

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT

Net position. The District's *combined* total net position is \$5,395,201.74 on June 30, 2022.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 3,677,596.54	\$ 599,035.04	\$363,439.62	\$719,964.42	\$ 4,041,036.16	\$ 1,318,999.46
Capital Assets	10,301,069.96	9,884,520.44	183,680.85	196,680.84	10,484,750.81	10,081,201.28
Total Assets	13,978,666.50	10,483,555.48	547,120.47	916,645.26	14,525,786.97	11,400,200.74
Deferred Outflows	513,730.00	889,873.00	-	-	513,730.00	889,873.00
Current Liabilities	2,156,174.69	892,096.35	66,849.15	315,140.22	2,223,023.84	1,207,236.57
Noncurrent Liabilities	4,598,362.39	6,817,671.31	-	-	4,598,362.39	6,817,671.31
Total Liabilities	6,754,537.08	7,709,767.66	66,849.15	315,140.22	6,821,386.23	8,024,907.88
Deferred Inflows	2,822,929.00	2,795,911.00	-	-	2,822,929.00	2,795,911.00
Net Investment in Capital Assets	9,809,106.74	9,145,617.63	183,680.85	196,680.84	9,992,787.59	9,342,298.47
Restricted	1,407,097.50	207,351.36			1,407,097.50	207,351.36
Unrestricted (Deficit)	(6,301,273.82)	(8,485,219.17)	296,590.47	404,824.20	(6,004,683.35)	(8,080,394.97)
Total Net Position	\$ 4,914,930.42	\$ 867,749.82	\$480,271.32	\$601,505.04	\$ 5,395,201.74	\$ 1,469,254.86

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT (CONT'D)

Changes in net position. The District's total revenues are \$37,937,683.67 for the fiscal period ended June 30, 2022. The federal and state aid not restricted accounted for 42.17% of the District's revenue, 46.15% is derived from state and federal aid for specific programs, 6.94% is derived from property taxes, and the remainder, 4.74% from fees charged for services and miscellaneous resources.

CITY OF SALEM SCHOOL DISTRICT'S CHANGE IN NET POSITION							
	Governmental Activities		Business-Type Activities		Total		
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,758,897.00	\$ 1,866,799.00	\$ 36,864.55	\$ 28,015.76	\$ 1,795,761.55	\$ 1,894,814.76	
Operating Grants and Contributions	16,142,146.63	15,979,208.16	1,366,917.00	867,727.11	17,509,063.63	16,846,935.27	
General Revenues:							
Property Taxes	2,634,071.04	2,587,772.04			2,634,071.04	2,587,772.04	
Grants and Contributions	15,995,420.62	14,931,098.63			15,995,420.62	14,931,098.63	
Other	3,281.35	47,349.96	85.48	49.25	3,366.83	47,399.21	
Total Revenues	36,533,816.64	35,412,227.79	1,403,867.03	895,792.12	37,937,683.67	36,308,019.91	
Expenses:							
Instruction	10,894,610.65	11,505,864.77			10,894,610.65	11,505,864.77	
Support Services	21,566,031.99	23,071,145.93			21,566,031.99	23,071,145.93	
Other	25,993.40	35,599.46			25,993.40	35,599.46	
Food Service			1,525,100.75	765,140.05	1,525,100.75	765,140.05	
Total Expenses	32,486,636.04	34,612,610.16	1,525,100.75	765,140.05	34,011,736.79	35,377,750.21	
Change in Net Position	4,047,180.60	799,617.63	(121,233.72)	130,652.07	3,925,946.88	930,269.70	
Beginning Net Position (Deficit)	867,749.82	(72,508.73)	601,505.04	470,852.97	1,469,254.86	398,344.24	
Ending Net Position Prior to Restatement	4,914,930.42	727,108.90	480,271.32	601,505.04	5,395,201.74	1,328,613.94	
Prior Period Adjustments	-	140,640.92	-	-	-	140,640.92	
Ending Net Position (Deficit)	\$ 4,914,930.42	\$ 867,749.82	\$ 480,271.32	\$ 601,505.04	\$ 5,395,201.74	\$ 1,469,254.86	

The District's total expenses are \$34,011,736.79 for the fiscal period ended June 30, 2022. Instruction accounted for 32.03% of the District's expenses, 63.41% is comprised of support services and 4.56% is related to other and business type expenses.

Governmental Activities

Revenues for the District's governmental activities amounted to \$36,533,816.64 while total expenses amounted to \$32,486,636.04. This resulted in an increase in net position in governmental activities of \$4,047,180.60 for the 2022 fiscal year primarily related to decreased costs, increased revenues, and additional grant funding to offset costs.

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT (CONT'D)

Business-type Activities

Revenues of the District's business-type activities amounted to \$1,403,867.03 and expenses were \$1,525,100.75. Food service expenses exceeded revenues by \$121,233.72 for the 2022 fiscal year.

General Fund Budgetary Highlights

The District's final 21-22 budget anticipated utilized no fund balance to fund a portion of the appropriation plan for this fiscal period.

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$2,252,899.41, an increase of \$2,165,037.72 in comparison with the prior year.

Of the combined ending fund balances of \$2,252,899.41, (\$622,043.82) constitutes unassigned fund balance deficits. The remainder of fund balance of \$2,874,943.23 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had a net position of \$480,271.32, of which, \$296,590.47 constitutes unrestricted net position.

CAPITAL ASSETS

Capital Assets

Actual expenditures for capital outlay totaled \$1,323,440.14 in the Governmental Funds. Capital outlay expenditures consist of numerous projects throughout the district and various equipment purchases. The primary expenditures for fiscal year 2022 were for HVAC improvements, several land improvement projects and purchase of camera equipment.

By the end of fiscal year 2022, the District had invested a net amount of \$10,484,750.80 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment, administrative offices, HVAC systems, science labs and security cameras. (Detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the fiscal year was \$906,890.63.

CITY OF SALEM SCHOOL DISTRICT'S INVESTMENT IN CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 563,650.00	\$ 563,650.00			\$ 563,650.00	\$ 563,650.00
Construction in Progress	1,968,949.91	1,968,949.91			1,968,949.91	1,968,949.91
Land Improvements	1,722,816.80	1,717,230.63			1,722,816.80	1,717,230.63
Building Improvements	5,922,929.92	5,475,663.34			5,922,929.92	5,475,663.34
Equipment	122,723.32	159,026.56	\$ 183,680.85	\$ 196,680.84	306,404.17	355,707.40
Total	\$ 10,301,069.95	\$ 9,884,520.44	\$ 183,680.85	\$ 196,680.84	\$ 10,484,750.80	\$ 10,081,201.28

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

DEBT ADMINISTRATION

Long-term Debt

The District has the authority to issue bonds. On February 15, 1999, the District authorized \$4,989,000.00 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000.00 producing a total present value savings of \$115,352.07. The current outstanding principal on these bonds is \$490,000.00.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,144,346.23	\$ 49,797.28	\$ 2,194,143.51
Investments	19,255.26		19,255.26
Internal Balances	(199,581.23)	199,581.23	
Receivables, net	1,713,576.29	98,274.44	1,811,850.73
Inventory		15,786.67	15,786.67
Capital Assets, net	10,301,069.95	183,680.85	10,484,750.80
Total Assets	13,978,666.50	547,120.47	14,525,786.97
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	513,730.00	-	513,730.00
LIABILITIES:			
Accounts Payable	156,141.09	66,849.15	222,990.24
Accounts Payable - Pension	395,528.00		395,528.00
Accrued Interest	8,035.00		8,035.00
Unearned Revenue	1,191,751.82		1,191,751.82
Intergovernmental Accounts Payable	76,804.23		76,804.23
Noncurrent Liabilities:			
Due within One Year	327,914.55		327,914.55
Due beyond One Year	4,598,362.39		4,598,362.39
Total Liabilities	6,754,537.08	66,849.15	6,821,386.23
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	2,822,929.00	-	2,822,929.00
NET POSITION:			
Net Investment in Capital Assets	9,809,106.74	183,680.85	9,992,787.59
Restricted:			
Debt Service	2.94		2.94
Scholarship Fund	72,612.51		72,612.51
Uniform Trust	267.83		267.83
Student Activity / Athletics Fund	52,214.22		52,214.22
Other Purposes	1,282,000.00		1,282,000.00
Unrestricted (Deficit)	(6,301,273.82)	296,590.47	(6,004,683.35)
Total Net Position	\$ 4,914,930.42	\$ 480,271.32	\$ 5,395,201.74

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,658,918.89	\$ 1,758,897.00	\$ 1,892,318.72	\$ (5,007,703.17)		\$ (5,007,703.17)
Special Education	1,252,171.93			(1,252,171.93)		(1,252,171.93)
Vocational	331,575.00			(331,575.00)		(331,575.00)
Other Instruction	651,944.83			(651,944.83)		(651,944.83)
Support Services and Undistributed Costs:						
Tuition	1,824,215.24			(1,824,215.24)		(1,824,215.24)
Student and Instruction Related Services	5,129,847.02		2,985,083.79	(2,144,763.23)		(2,144,763.23)
School Administrative Services	1,138,948.98			(1,138,948.98)		(1,138,948.98)
General and Business Administrative Services	953,323.85			(953,323.85)		(953,323.85)
Plant Operations and Maintenance	2,227,683.74			(2,227,683.74)		(2,227,683.74)
General Unallocated Depreciation	36,883.74			(36,883.74)		(36,883.74)
Pupil Transportation	803,449.22			(803,449.22)		(803,449.22)
Unallocated Benefits	9,451,680.20		11,083,228.12	1,631,547.92		1,631,547.92
Other:						
Interest on Long-Term Debt	25,993.40		181,516.00	155,522.60		155,522.60
Total Governmental Activities	32,486,636.04	1,758,897.00	16,142,146.63	(14,585,592.41)	-	(14,585,592.41)
Business-Type Activities:						
Food Service	1,525,100.75	36,864.55	1,366,917.00		\$ (121,319.20)	(121,319.20)
Total Business-Type Activities	1,525,100.75	36,864.55	1,366,917.00	-	(121,319.20)	(121,319.20)
Total Government	\$ 34,011,736.79	\$ 1,795,761.55	\$ 17,509,063.63	(14,585,592.41)	(121,319.20)	(14,706,911.61)
General Revenues:						
Property Taxes:						
Property Taxes, Levied for General Purposes				2,538,749.04		2,538,749.04
Property Taxes, Levied for Debt Service				95,322.00		95,322.00
Federal and State Aid not Restricted				15,995,420.62		15,995,420.62
Interest and Investment Revenue					85.48	85.48
Miscellaneous Income				3,281.35		3,281.35
Total General Revenues				18,632,773.01	85.48	18,632,858.49
Change in Net Position				4,047,180.60	(121,233.72)	3,925,946.88
Net Position -- July 1				867,749.82	601,505.04	1,469,254.86
Net Position -- June 30				\$ 4,914,930.42	\$ 480,271.32	\$ 5,395,201.74

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

FUND FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 2,030,264.97	\$ 105,839.30	\$ 8,239.02	\$ 2.94	\$ 2,144,346.23
Investments, at Fair Value:					
Certificates of Deposit		19,255.26			19,255.26
Interfunds Accounts Receivable	422,957.60				422,957.60
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	268,491.66	1,444,684.63			1,713,176.29
Total Assets	\$ 2,722,114.23	\$ 1,569,779.19	\$ 8,239.02	\$ 2.94	\$ 4,300,135.38
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payroll Deductions and Withholdings Payable	\$ 156,141.09				\$ 156,141.09
Due Other Governments		\$ 76,804.23			76,804.23
Interfunds Accounts Payable	199,581.23	414,718.58	\$ 8,239.02		622,538.83
Unearned Revenue		1,191,751.82			1,191,751.82
Total Liabilities	355,722.32	1,683,274.63	8,239.02	-	2,047,235.97
Fund Balances:					
Restricted:					
Maintenance Reserve	632,000.00				632,000.00
Capital Reserve	650,000.00				650,000.00
Debt Service			\$ 2.94		2.94
Scholarship Fund		72,612.51			72,612.51
Uniform Trust		267.83			267.83
Student Activity Fund / Athletics Fund		52,214.22			52,214.22
Assigned:					
Other Purposes	1,467,845.73				1,467,845.73
Unassigned (Deficit)	(383,453.82)	(238,590.00)			(622,043.82)
Total Fund Balances (Deficit)	2,366,391.91	(113,495.44)	-	2.94	2,252,899.41
Total Liabilities and Fund Balances	\$ 2,722,114.23	\$ 1,569,779.19	\$ 8,239.02	\$ 2.94	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$27,296,915.62 and the accumulated depreciation is \$16,995,845.67.	10,301,069.95
Long-term liabilities, including bonds payable, and compensated absences payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,191,842.73)
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.	(1,963.21)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore are not reported in the funds.	(8,035.00)
Net Pension Liability	(3,732,471.00)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(395,528.00)
Deferred Outflows of Resources - Related to Pensions	513,730.00
Deferred Inflows of Resources - Related to Pensions	<u>(2,822,929.00)</u>
Net Position of Governmental Activities	<u>\$ 4,914,930.42</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 2,538,749.04			\$ 95,322.00	\$ 2,634,071.04
Tuition Charges	1,758,897.00				1,758,897.00
Miscellaneous	3,281.35				3,281.35
State Sources	24,131,225.12	\$ 2,433,169.09		181,516.00	26,745,910.21
Federal Sources	102,149.09	3,193,281.98			3,295,431.07
Local Sources		194,466.97			194,466.97
Total Revenues	28,534,301.60	5,820,918.04	-	276,838.00	34,632,057.64
EXPENDITURES:					
Current:					
Regular Instruction	5,912,638.33	1,892,318.72			7,804,957.05
Special Education Instruction	1,252,171.93				1,252,171.93
Vocational Education	331,575.00				331,575.00
Other Instruction	651,944.83				651,944.83
Support Services and Undistributed Costs:					
Tuition	1,824,215.24				1,824,215.24
Student and Instruction Related Services	2,144,763.23	2,985,083.79			5,129,847.02
School Administrative Services	1,138,948.98				1,138,948.98
Other Administrative Services	947,681.95				947,681.95
Plant Operations and Maintenance	2,217,280.59				2,217,280.59
Pupil Transportation	803,449.22				803,449.22
Unallocated Benefits	8,764,669.97				8,764,669.97
Debt Service:					
Principal				245,000.00	245,000.00
Interest and Other Charges				31,838.00	31,838.00
Capital Outlay	375,710.75	947,729.39			1,323,440.14
Total Expenditures	26,365,050.02	5,825,131.90	-	276,838.00	32,467,019.92
Excess (Deficiency) of Revenues over Expenditures	2,169,251.58	(4,213.86)	-	-	2,165,037.72
Fund Balance (Deficit) -- July 1	197,140.33	(109,281.58)	-	2.94	87,861.69
Fund Balance (Deficit) -- June 30	\$ 2,366,391.91	\$ (113,495.44)	-	\$ 2.94	\$ 2,252,899.41

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

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

Total Net Change in Fund Balances - Governmental Funds		\$ 2,165,037.72
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (906,890.63)	
Capital Outlays	<u>1,323,440.14</u>	416,549.51
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		245,000.00
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.		1,939.60
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		3,905.00
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		77,302.77
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>1,137,446.00</u>
Change in Net Position of Governmental Activities		<u>\$ 4,047,180.60</u>

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

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 49,797.28
Interfund Accounts Receivable:	
Due from General Fund	199,581.23
Accounts Receivable:	
State	1,036.77
Federal	96,110.76
Other	1,126.91
Inventories	15,786.67
Total Current Assets	363,439.62
Noncurrent Assets:	
Equipment	409,741.41
Less Accumulated Depreciation	(226,060.56)
Total Noncurrent Assets	183,680.85
Total Assets	547,120.47
LIABILITIES:	
Current Liabilities:	
Accounts Payable	66,849.15
NET POSITION:	
Net Investment in Capital Assets	183,680.85
Unrestricted	296,590.47
Total Net Position	\$ 480,271.32

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

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 16,307.36
Special Functions and Miscellaneous	20,557.19
	36,864.55
Total Operating Revenues	36,864.55
OPERATING EXPENSES:	
Purchased Professional/Technical Services	579,069.99
Cleaning/Repair/Maintenance	9,537.48
Other Purchased Services	153,371.90
General Supplies	34,012.70
Depreciation	12,999.99
Cost of Sales - Reimbursable Programs	711,981.85
Cost of Sales - Non-Reimbursable Programs	19,533.51
	1,525,100.75
Total Operating Expenses	1,525,100.75
Operating Income (Loss)	(1,488,236.20)
NONOPERATING REVENUES (EXPENSES):	
Federal Sources:	
National School Snack Program	7,094.00
SSO Federal Lunch	794,865.10
SSO Federal Breakfast	364,571.84
Fresh Fruits & Vegetables	46,509.30
Food Distribution Program	104,466.94
Supply Chain Assistance Award - COVID-19	28,089.74
P-EBT Administrative Cost Reimbursement	3,135.00
Interest and Investment Revenue	85.48
	1,367,002.48
Total Nonoperating Revenues (Expenses)	1,367,002.48
Change in Net Position	(121,233.72)
Net Position -- July 1	601,505.04
Net Position -- June 30	\$ 480,271.32

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

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 36,864.55
Payments for Purchased Services	(741,979.37)
Payments to Suppliers	(914,611.79)
	(1,619,726.61)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	17,148.31
Federal Sources	1,195,254.29
Operating Subsidies and Transfers to other Funds	412,587.83
	1,624,990.43
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Investment Revenue	85.48
	85.48
Net Cash Provided by (Used for) Investing Activities	85.48
Net Increase (Decrease) in Cash and Cash Equivalents	5,349.30
Cash and Cash Equivalents -- July 1	44,447.98
Cash and Cash Equivalents -- June 30	\$ 49,797.28
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (1,488,236.20)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Food Distribution Program	104,466.94
Depreciation and Net Amortization	12,999.99
(Increase) Decrease in Inventories	(666.27)
Increase (Decrease) in Accounts Payable	(248,291.07)
	(131,490.41)
Total Adjustments	(131,490.41)
Net Cash Provided by (Used for) Operating Activities	\$ (1,619,726.61)

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12 at its three schools. The School District has an approximate enrollment at June 30, 2022 of 1,242.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary fund:

Enterprise Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

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

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

Lease Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

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

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

The School District does not possess any infrastructure assets.

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

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2022, the School District's bank balances of \$2,816,416.08 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,727,602.96
Uninsured and Uncollateralized	<u>88,813.12</u>
Total	<u><u>\$ 2,816,416.08</u></u>

Note 3: INVESTMENTS

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

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy to limit its exposure to custodial credit risk. As of June 30, 2022, \$19,255.26 the School District's investments were uninsured.

Note 3: INVESTMENTS (CONT'D)**Custodial Credit Risk Related to Investments (cont'd) -**

As of June 30, 2022, the School District had the following investments retained for the purpose of awarding scholarships:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value</u>
Certificate of Deposit	09/04/23	Level 1	\$ 7,214.73
Certificate of Deposit	04/25/23	Level 1	1,163.49
Certificate of Deposit	02/20/23	Level 1	2,346.98
Certificate of Deposit	02/20/23	Level 1	<u>8,530.06</u>
Total Investments			<u>\$ 19,255.26</u>

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

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

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The weighted average maturity of the School District's investment portfolio was 16.4 months as of June 30, 2022. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

Note 4: ACCOUNTS RECEIVABLE

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

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 1,427,206.83	\$ 1,427,206.83	\$ 96,110.76	\$ 96,110.76	\$ 1,523,317.59
State Awards	\$ 268,491.66		268,491.66	1,036.77	1,036.77	269,528.43
Other	400.00	17,477.80	17,877.80	1,126.91	1,126.91	19,004.71
	<u>\$ 268,891.66</u>	<u>\$ 1,444,684.63</u>	<u>\$ 1,713,576.29</u>	<u>\$ 98,274.44</u>	<u>\$ 98,274.44</u>	<u>\$ 1,811,850.73</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2022 in business-type activities on the government-wide statement of net position and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 8,685.71
Supplies	<u>7,100.96</u>
	<u>\$ 15,786.67</u>

Note 6: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$650,000.00 on June 8, 2022 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The LRFP balance at June 30, 2022 of local support costs of uncompleted does not exceed the LRFP balance of local support costs of uncompleted projects.

Note 7: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 563,650.00			\$ 563,650.00
Construction in Progress	1,968,949.91			1,968,949.91
Total Capital Assets, not being Depreciated	2,532,599.91	-	-	2,532,599.91
Capital Assets, being Depreciated:				
Land Improvements	2,357,437.32	\$ 85,742.57		2,443,179.89
Building Improvements	18,991,650.89	1,187,846.73		20,179,497.62
Equipment	2,091,787.36	49,850.84		2,141,638.20
Total Capital Assets, being Depreciated	23,440,875.57	1,323,440.14	-	24,764,315.71
Total Capital Assets, Cost	25,973,475.48	1,323,440.14	-	27,296,915.62
Less Accumulated Depreciation for:				
Land Improvements	(640,206.69)	(80,156.40)		(720,363.09)
Building Improvements	(13,515,987.55)	(740,580.15)		(14,256,567.70)
Equipment	(1,932,760.80)	(86,154.08)		(2,018,914.88)
Total Accumulated Depreciation	(16,088,955.04)	(906,890.63)	-	(16,995,845.67)
Total Capital Assets, being Depreciated, Net	7,351,920.53	416,549.51	-	7,768,470.04
Governmental Activities Capital Assets, Net	<u>\$ 9,884,520.44</u>	<u>\$ 416,549.51</u>	-	<u>\$ 10,301,069.95</u>
Business-Type Activities:				
Equipment	\$ 409,741.41			\$ 409,741.41
Less Accumulated Depreciation	(213,060.57)	\$ (12,999.99)		(226,060.56)
Business-Type Activities Capital Assets, Net	<u>\$ 196,680.84</u>	<u>\$ (12,999.99)</u>	-	<u>\$ 183,680.85</u>

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

Governmental Activities:	
Regular Instruction	\$ 36,883.74
Other Administrative Support	5,641.90
Plant Operations and Maintenance	10,403.15
Unallocated	853,961.84
Total Depreciation Expense - Governmental Activities	<u>\$ 906,890.63</u>
Business-Type Activities:	
Food Service	\$ 12,999.99
Total Depreciation Expense - Business-Type Activities	<u>\$ 12,999.99</u>

Note 8: LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 735,000.00		\$ 245,000.00	\$ 490,000.00	\$ 250,000.00
Add Amounts:					
Bond Premium	3,902.81		1,939.60	1,963.21	
Total Bonds Payable	738,902.81	-	246,939.60	491,963.21	250,000.00
Other Liabilities:					
Net Pension Liability	5,299,623.00	\$ 2,145,650.00	3,712,802.00	3,732,471.00	
Compensated Absences	779,145.50	194,786.38	272,089.15	701,842.73	77,914.55
Total Other Liabilities	6,078,768.50	2,340,436.38	3,984,891.15	4,434,313.73	77,914.55
Governmental Activities Long-Term Liabilities	<u>\$ 6,817,671.31</u>	<u>\$ 2,340,436.38</u>	<u>\$ 4,231,830.75</u>	<u>\$ 4,926,276.94</u>	<u>\$ 327,914.55</u>

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

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

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 250,000.00	\$ 21,425.00	\$ 271,425.00
2024	240,000.00	10,800.00	250,800.00
	<u>\$ 490,000.00</u>	<u>\$ 32,225.00</u>	<u>\$ 522,225.00</u>

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

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Postemployment Benefits - For details on other postemployment benefits, refer to note 10.

Note 9: PENSION PLANS

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

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 24.43% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$2,674,299.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$764,245.16.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 16.55% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$368,983.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$180,528.02.

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

Pension Liability - At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District		43,871,984.00
		<u>43,871,984.00</u>
	\$	<u>43,871,984.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0912570194%, which was a decrease of 0.0025549693% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$1,032,327.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2022, the School District reported a liability of \$3,732,471.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was 0.0315069497%, which was a decrease of 0.0009913493% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) expense of (\$768,463.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 58,866.00	\$ 26,720.00
Changes of Assumptions	19,439.00	1,328,784.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	983,231.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	39,897.00	484,194.00
School District Contributions Subsequent to the Measurement Date	<u>395,528.00</u>	<u>-</u>
	<u>\$ 513,730.00</u>	<u>\$ 2,822,929.00</u>

Deferred outflows of resources in the amount of \$395,528.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year <u>Ending June 30,</u>	
2023	\$ (1,091,284.00)
2024	(767,873.00)
2025	(477,799.00)
2026	(362,416.00)
2027	<u>(5,355.00)</u>
	<u>\$ (2,704,727.00)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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

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

⁽¹⁾ based on years of service

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

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	51,907,885.00	43,871,984.00	37,122,332.00
	<u>\$ 51,907,885.00</u>	<u>\$ 43,871,984.00</u>	<u>\$ 37,122,332.00</u>

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 5,082,868.00	\$ 3,732,471.00	\$ 2,586,467.00

Note 9: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2021, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,328

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$57,711,184.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0961730430%, which was a decrease of 0.0029117262% from its proportion measured as of June 30, 2020.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

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

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

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

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

Discount Rate - The discount rate for June 30, 2021 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

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

Balance at June 30, 2021		\$ 67,189,345.00
Changes for the Year:		
Service Cost	\$ 3,087,204.00	
Interest Cost	1,497,089.00	
Changes in Benefit Terms	(61,427.00)	
Difference between Expected and Actual Experience	(12,916,949.00)	
Changes in Assumptions	56,936.00	
Member Contributions	38,273.00	
Gross Benefit Payments	<u>(1,179,287.00)</u>	
Net Changes		<u>(9,478,161.00)</u>
Balance at June 30, 2022		<u>\$ 57,711,184.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

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

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

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

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 69,128,939.00	\$ 57,711,184.00	\$ 48,720,388.00

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 46,717,391.00	\$ 57,711,184.00	\$ 72,475,036.00

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

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$2,726,209.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2022, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 8,699,705.00	\$ 17,320,152.00
Changes of Assumptions	9,789,970.00	6,191,872.00
Changes in Proportion	<u>48,623.00</u>	<u>4,444,844.00</u>
	<u>\$ 18,538,298.00</u>	<u>\$ 27,956,868.00</u>

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

Fiscal Year Ending <u>June 30,</u>	
2023	\$ (1,797,100.00)
2024	(1,797,100.00)
2025	(1,797,100.00)
2026	(1,797,100.00)
2027	(1,473,402.00)
Thereafter	<u>(756,768.00)</u>
	<u>\$ (9,418,570.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$3,729,540.00, \$52,619.00, \$883,665.00, and \$1,172.00, respectively.

Note 12: RISK MANAGEMENT

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

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

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

Note 13: DEFERRED COMPENSATION

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

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

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$701,842.73.

Note 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 422,957.60	\$ 199,581.23
Special Revenue		414,718.58
Capital Projects		8,239.02
Proprietary	199,581.23	
	<u>\$ 622,538.83</u>	<u>\$ 622,538.83</u>

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

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$383,453.82 in the general fund and \$238,590.00 in the special revenue fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$622,043.82 is less than the June state aid payments.

Note 19: FUND BALANCES**RESTRICTED**

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

General Fund

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$632,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Capital Reserve Account - As of June 30, 2022, the balance in the capital reserve account is \$650,000.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

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

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$72,612.51.

For Uniform Trust - The School District reports fund balance resulting from the receipt of funds to offset the costs of uniforms for students. These funds are required to be used as restricted by the contributors. The balance of these funds as of June 30, 2022 is \$267.83.

For Student Activities / Athletics - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$52,214.22.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023 \$2.94 of debt service fund balance at June 30, 2022.

ASSIGNED

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

General Fund -

Other Purposes - As of June 30, 2022, the School District had \$1,467,845.73 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2022, the fund balance of the general fund was a deficit of \$383,453.82, thus resulting in the fund balance classification of unassigned. The deficit is the result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$383,453.82 is less than the total of the last state aid payments of \$1,820,708.00.

Special Revenue Fund - As of June 30, 2022, the fund balance of the special revenue fund was a deficit of \$238,590.00 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$238,590.00 is equal to the last state aid payments.

Note 20: TAX ABATEMENTS

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

The City of Salem has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$19,971,800.00. Based on the School District's 2022 certified tax rate of \$2.158, abated taxes totaled \$430,991.44.

Note 21: SUBSEQUENT EVENTS

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Ad Valorem Taxes - Local Tax Levy	\$ 2,538,749.00		\$ 2,538,749.00	\$ 2,538,749.04	\$ (0.04)
Tuition from Other LEA's Within State	2,012,000.00		2,012,000.00	1,758,897.00	(253,103.00)
Interest Earned on Capital Reserve Funds	2,400.00		2,400.00		(2,400.00)
Miscellaneous				3,281.35	3,281.35
Total - Local Sources	<u>4,553,149.00</u>	<u>-</u>	<u>4,553,149.00</u>	<u>4,300,927.39</u>	<u>(252,221.61)</u>
State Sources:					
School Choice Aid	22,204.00		22,204.00	22,204.00	
Extraordinary Aid				171,775.00	171,775.00
Categorical Special Education Aid	723,650.00		723,650.00	723,650.00	
Equalization Aid	15,110,758.00		15,110,758.00	15,110,758.00	
Categorical Security Aid	425,317.00		425,317.00	425,317.00	
Adjustment Aid	2,162,927.00		2,162,927.00	2,162,927.00	
Categorical Transportation Aid	281,682.00		281,682.00	281,682.00	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				883,665.00	883,665.00
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,729,540.00	3,729,540.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				1,172.00	1,172.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)				52,619.00	52,619.00
Reimbursed TPAF Social Security (Non-Budgeted)				732,314.12	732,314.12
Total State Sources	<u>18,726,538.00</u>	<u>-</u>	<u>18,726,538.00</u>	<u>24,297,623.12</u>	<u>5,571,085.12</u>
Federal Sources:					
Impact Aid	6,700.00	\$ 3,300.00	10,000.00		(10,000.00)
Medicaid Reimbursement	71,723.00	1,998.00	73,721.00	102,149.09	28,428.09
Total - Federal Sources	<u>78,423.00</u>	<u>5,298.00</u>	<u>83,721.00</u>	<u>102,149.09</u>	<u>18,428.09</u>
Total Revenues	<u>23,358,110.00</u>	<u>5,298.00</u>	<u>23,363,408.00</u>	<u>28,700,699.60</u>	<u>5,337,291.60</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 395,410.00	\$ 7,585.84	\$ 402,995.84	\$ 389,718.63	\$ 13,277.21
Grades 1-5 - Salaries of Teachers	1,759,956.00	(44,258.64)	1,715,697.36	1,634,519.64	81,177.72
Grades 6-8 - Salaries of Teachers	1,144,443.00	(143,102.15)	1,001,340.85	997,852.45	3,488.40
Grades 9-12 - Salaries of Teachers	2,297,200.00	(31,957.39)	2,265,242.61	2,265,242.61	
Regular Programs - Home Instruction:					
Salaries of Teachers		38,088.75	38,088.75	38,088.75	
Purchased Professional-Educational Services	35,000.00	(7,894.43)	27,105.57	19,285.07	7,820.50
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	170,692.00	(28,917.66)	141,774.34	121,035.60	20,738.74
Purchased Professional-Educational Services	11,000.00	(10,121.05)	878.95	878.95	
Purchased Technical Services	117,528.05	12,416.28	129,944.33	127,344.33	2,600.00
Other Purchased Services (400-500 series)	55,656.05	12,524.21	68,180.26	58,710.97	9,469.29
General Supplies	121,500.00	50,263.79	171,763.79	170,426.19	1,337.60
Textbooks	79,425.78	78,909.34	158,335.12	88,717.87	69,617.25
Other Objects	9,000.00	(8,024.38)	975.62	817.27	158.35
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>6,196,810.88</u>	<u>(74,487.49)</u>	<u>6,122,323.39</u>	<u>5,912,638.33</u>	<u>209,685.06</u>
Multiple Disabilities:					
Salaries of Teachers	658,421.09	26,827.67	685,248.76	651,210.22	34,038.54
Other Salaries for Instruction	25,757.00	(18,884.50)	6,872.50	6,872.50	
Other Purchased Services (400-500 series)	500.00	2,032.30	2,532.30	2,532.30	
General Supplies	750.00	2,479.64	3,229.64	1,484.09	1,745.55
Total Multiple Disabilities	<u>685,428.09</u>	<u>12,455.11</u>	<u>697,883.20</u>	<u>662,099.11</u>	<u>35,784.09</u>
Resource Room/Resource Center:					
Salaries of Teachers	451,613.50	(12,947.98)	438,665.52	438,665.52	
General Supplies	1,000.00	100.00	1,100.00	1,100.00	
Total Resource Room/Resource Center	<u>452,613.50</u>	<u>(12,847.98)</u>	<u>439,765.52</u>	<u>439,765.52</u>	<u>-</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	96,413.50	1,672.50	98,086.00	97,867.95	218.05
Other Salaries for Instruction	16,892.40	9,484.45	26,376.85	26,376.85	
Total Preschool Disabilities - Full-Time	<u>113,305.90</u>	<u>11,156.95</u>	<u>124,462.85</u>	<u>124,244.80</u>	<u>218.05</u>
Special Education - Home Instruction					
Salaries of Teachers		12,617.50	12,617.50	12,617.50	
Purchased Professional - Educational Services	37,500.00	(17,180.00)	20,320.00	13,445.00	6,875.00
Total Special Education - Home Instruction	<u>37,500.00</u>	<u>(4,562.50)</u>	<u>32,937.50</u>	<u>26,062.50</u>	<u>6,875.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,288,847.49</u>	<u>6,201.58</u>	<u>1,295,049.07</u>	<u>1,252,171.93</u>	<u>42,877.14</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	\$ 403,400.00	\$ (71,825.00)	\$ 331,575.00	\$ 331,575.00	
General Supplies	2,500.00	(2,500.00)			
Total Vocational Programs - Local - Instruction	405,900.00	(74,325.00)	331,575.00	331,575.00	-
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	3,030.00	25,793.40	28,823.40	25,972.60	\$ 2,850.80
Purchased Services (300-500 series)	5,865.00	(639.04)	5,225.96	5,225.96	
Supplies and Materials	500.00	10,146.66	10,646.66	9,815.53	831.13
Other Objects	1,000.00	26,683.90	27,683.90	27,683.90	
Total School-Spon. Cocurricular Actvts. - Inst.	10,395.00	61,984.92	72,379.92	68,697.99	3,681.93
School-Spon. Cocurricular Athletics - Inst.					
Salaries	258,221.00	3,596.69	261,817.69	261,817.69	
Purchased Services (300-500 series)	35,000.00	58,201.96	93,201.96	76,417.00	16,784.96
Supplies and Materials	35,000.00	87,201.79	122,201.79	80,182.27	42,019.52
Other Objects	23,140.00	20,892.83	44,032.83	44,032.83	
Total School-Spon. Cocurricular Athletics - Inst.	351,361.00	169,893.27	521,254.27	462,449.79	58,804.48
Alternative Education Program - Inst.					
Purchased Prof-Technical Services	25,000.00	16,362.80	41,362.80	33,223.05	8,139.75
Total Alternative Education Program - Inst.	25,000.00	103,936.80	128,936.80	120,797.05	8,139.75
Community Services Programs/Operations					
Purchased Services (300-500 series)	38,500.00		38,500.00		38,500.00
Total Community Services Programs/Operations	38,500.00	-	38,500.00	-	38,500.00
Total Instruction	8,316,814.37	193,204.08	8,510,018.45	8,148,330.09	361,688.36
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	3,925.00	72,360.16	76,285.16	72,285.16	4,000.00
Tuition to Other LEAs Within the State - Special	215,000.00	57,957.32	272,957.32	271,266.26	1,691.06
Tuition-County Voc. - Regular	55,000.00	50,000.00	105,000.00	79,106.73	25,893.27
Tuition to CSSD & Regional Day Schools	1,100,000.00	194,867.72	1,294,867.72	1,294,538.20	329.52
Tuition to Private Schools for the Disabled - Within State	425,000.00	(295,489.11)	129,510.89	104,818.89	24,692.00
Tuition - State Facilities	50,000.00	(8,004.29)	41,995.71	2,200.00	39,795.71
Total Undistributed Expenditures - Instruction	1,848,925.00	71,691.80	1,920,616.80	1,824,215.24	96,401.56

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Attend. & Social Work					
Salaries	\$ 149,078.16	\$ (4,834.29)	\$ 144,243.87	\$ 144,243.87	
Other Objects	750.00	(750.00)			
Total Undist. Expend. - Attend. & Social Work	149,828.16	(5,584.29)	144,243.87	144,243.87	-
Undist. Expend. - Health Services					
Salaries	193,536.00	(1,748.10)	191,787.90	191,787.90	
Purchased Professional and Technical Services	22,500.00		22,500.00	22,500.00	
Other Purchased Services (400-500 series)	3,922.50	(590.00)	3,332.50	3,332.50	
Supplies and Materials	5,100.00	(2,032.18)	3,067.82	2,174.14	\$ 893.68
Total Undist. Expend. - Health Services	225,058.50	(4,370.28)	220,688.22	219,794.54	893.68
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	117,258.00	3,752.84	121,010.84	120,778.51	232.33
Purchased Professional - Educational Services	90,000.00	(50,407.00)	39,593.00	35,162.00	4,431.00
Supplies and Materials	4,000.00	(258.00)	3,742.00	2,218.66	1,523.34
Other Objects		558.00	558.00	558.00	
Total Undist. Expend. - Speech, OT, PT & Related Svcs	211,258.00	(46,354.16)	164,903.84	158,717.17	6,186.67
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	168,650.00		168,650.00	160,359.09	8,290.91
Purchased Professional - Educational Services	614,000.00	(117,711.94)	496,288.06	85,238.00	411,050.06
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	782,650.00	(117,711.94)	664,938.06	245,597.09	419,340.97
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	280,391.00	2,785.50	283,176.50	277,108.52	6,067.98
Salaries of Secretarial and Clerical Assistants	36,608.00	1,481.43	38,089.43	38,089.43	
Other Salaries	1,450.00	(1,450.00)			
Other Purchased Prof. and Tech. Services	3,500.00	892.00	4,392.00	4,392.00	
Other Purchased Services (400-500 series)	9,600.00	45.20	9,645.20	9,645.20	
Supplies and Materials	6,577.50	(2,137.11)	4,440.39	4,440.39	
Other Objects	750.00	(689.84)	60.16	60.16	
Total Undist. Expend. - Guidance	338,876.50	927.18	339,803.68	333,735.70	6,067.98

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	\$ 364,132.00	\$ 22,655.05	\$ 386,787.05	\$ 386,787.05	
Salaries of Secretarial and Clerical Assistants	56,411.00	(10.12)	56,400.88	56,400.88	
Purchased Professional - Educational Services	273,287.00	(251,156.69)	22,130.31	9,082.00	\$ 13,048.31
Other Purchased Prof. and Tech. Services	105,000.00	35,689.62	140,689.62	121,986.50	18,703.12
Mis. Purchase Serv. (400-500 series other than Residential Costs)	7,000.00	389.35	7,389.35	5,171.60	2,217.75
Supplies and Materials	2,000.00	2,909.17	4,909.17	1,237.32	3,671.85
Other Objects	500.00	8,217.88	8,717.88	8,717.88	
Total Undist. Expend. - Child Study Teams	808,330.00	(181,305.74)	627,024.26	589,383.23	37,641.03
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	121,480.00	(0.16)	121,479.84	114,938.62	6,541.22
Salaries of Secr and Clerical Assist.	13,000.00	(7,170.00)	5,830.00	5,830.00	
Other Salaries	10,325.00	(9,205.00)	1,120.00	1,120.00	
Purchased Prof- Educational Services	3,000.00	19,514.00	22,514.00	22,514.00	
Other Purch Services (400-500)	4,250.00	(1,671.77)	2,578.23	2,578.23	
Supplies and Materials	250.00	609.00	859.00	315.97	543.03
Other Objects	1,000.00	141.00	1,141.00	1,141.00	1,141.00
Total Undist. Expend. - Improvement of Inst. Serv.	153,305.00	2,217.07	155,522.07	147,296.82	8,225.25
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	151,975.00	(290.33)	151,684.67	131,279.71	20,404.96
Salaries of Technology Coordinators	157,502.00	(1,256.32)	156,245.68	156,245.68	
Purchased Professional and Technical Services	8,285.00	(246.95)	8,038.05	8,038.05	
Supplies and Materials	9,657.50	644,063.69	653,721.19	10,223.87	643,497.32
Total Undist. Expend. - Edu. Media Serv./Sch. Library	327,419.50	642,270.09	969,689.59	305,787.31	663,902.28
Undist. Expend. - Instructional Staff Training Serv.					
Supplies and Materials	324.00	(115.00)	209.00	207.50	1.50
Total Undist. Expend. - Instructional Staff Training Serv.	324.00	(115.00)	209.00	207.50	1.50

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 215,251.00	\$ (38,637.15)	\$ 176,613.85	\$ 176,613.85	
Legal Services	75,000.00	63,882.69	138,882.69	137,698.89	\$ 1,183.80
Audit Fees	51,000.00	69,000.00	120,000.00	117,000.00	3,000.00
Other Purchased Professional Services	3,000.00	115.00	3,115.00	3,000.00	115.00
Communications/Telephone	30,000.00	54,940.13	84,940.13	80,520.82	4,419.31
BOE Other Purchased Services	8,500.00	(4,886.00)	3,614.00	3,126.20	487.80
Other Purchased Services (400-500 series)	185,000.00	(88,967.90)	96,032.10	70,397.28	25,634.82
Supplies and Materials	3,500.00	(1,238.57)	2,261.43	2,247.83	13.60
BOE In-House Training/Meeting Supplies	2,500.00	6,894.25	9,394.25	9,394.25	
Miscellaneous Expenditures	10,000.00	2,787.53	12,787.53	12,787.53	
BOE Membership Dues and Fees	3,000.00	4,669.24	7,669.24	4,419.24	3,250.00
	<u>837,034.00</u>	<u>(68,572.83)</u>	<u>768,461.17</u>	<u>617,205.89</u>	<u>151,255.28</u>
Total Undist. Expend. - Supp. Serv. - General Admin.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	746,446.00	(1.12)	746,444.88	739,415.15	7,029.73
Salaries of Other Professional Staff	90,000.00	4,772.31	94,772.31	94,772.31	
Salaries of Secretarial and Clerical Assistants	121,298.84	210.30	121,509.14	121,509.14	
Purchased Professional and Technical Services	40,000.00	(39,870.00)	130.00		130.00
Other Purchased Services (400-500 series)	19,000.00	(4,416.41)	14,583.59	13,145.39	1,438.20
Supplies and Materials	25,524.34	1,594.12	27,118.46	26,268.93	849.53
Other Objects	142,178.32	9,058.09	151,236.41	143,838.06	7,398.35
	<u>1,184,447.50</u>	<u>(28,652.71)</u>	<u>1,155,794.79</u>	<u>1,138,948.98</u>	<u>16,845.81</u>
Total Undist. Expend. - Support Serv. - School Admin.					
Undistributed Expenditures - Central Services					
Salaries	266,311.00	(6,095.71)	260,215.29	253,221.09	6,994.20
Purchased Professional Services	20,286.00	32,150.35	52,436.35	52,436.35	
Misc. Purch. Services (400-500 Series)	10,000.00	24,111.83	34,111.83	23,011.78	11,100.05
Supplies and Materials	7,500.00	(1,446.88)	6,053.12	1,806.84	4,246.28
Miscellaneous Expenditures	1,500.00		1,500.00		1,500.00
	<u>305,597.00</u>	<u>48,719.59</u>	<u>354,316.59</u>	<u>330,476.06</u>	<u>23,840.53</u>
Total Undist. Expend. - Central Services					
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	50,000.00	179,627.60	229,627.60	181,752.11	47,875.49
General Supplies	30,000.00	16,868.48	46,868.48	41,431.20	5,437.28
	<u>80,000.00</u>	<u>196,496.08</u>	<u>276,496.08</u>	<u>223,183.31</u>	<u>53,312.77</u>
Total Undist. Expend. -Required Maintenance for School Facilities					

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 673,415.00	\$ 160,155.15	\$ 833,570.15	\$ 832,851.15	\$ 719.00
Purchased Professional and Technical Services	25,796.00	65,000.14	90,796.14	82,074.80	8,721.34
Cleaning, Repair and Maintenance Services	45,000.00	9,417.98	54,417.98	49,913.89	4,504.09
Other Purchased Property Services	37,500.00	1,266.00	38,766.00	23,244.53	15,521.47
Insurance	180,000.00	(177,904.13)	2,095.87	2,095.37	0.50
Miscellaneous Purchased Services	4,000.00	(1,057.83)	2,942.17	2,942.17	
General Supplies	70,000.00	(1,449.65)	68,550.35	61,486.87	7,063.48
Energy - Natural Gas	85,000.00	27,440.38	112,440.38	95,127.93	17,312.45
Energy - Electricity	500,000.00	127,498.81	627,498.81	627,498.81	
Energy - Gasoline	7,000.00	4,641.23	11,641.23	11,641.23	
Other Objects	5,500.00	(5,382.75)	117.25	55.18	62.07
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,633,211.00	209,625.33	1,842,836.33	1,788,931.93	53,904.40
Total Undist. Expend. - Oper. & Maint. Of Plant	1,713,211.00	406,121.41	2,119,332.41	2,012,115.24	107,217.17
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	25,000.00	(6,105.77)	18,894.23	18,894.23	
Purchased Professional and Technical Services	25,000.00	(21,538.45)	3,461.55	3,461.55	
Cleaning, Repair and Maintenance Services		10,552.91	10,552.91	10,041.26	511.65
General Supplies		329.98	329.98	329.98	
Total Undist. Expend. - Care and Upkeep of Grounds	50,000.00	(16,761.33)	33,238.67	32,727.02	511.65
Undist. Expend. - Security					
Salaries	159,683.00	14,630.33	174,313.33	161,998.33	12,315.00
Purchased Professional and Technical Services	11,750.00	(1,310.00)	10,440.00	10,440.00	
Total Undist. Expend. - Security	171,433.00	15,060.30	186,493.30	172,438.33	14,054.97
Undist. Expend. - Student Transportation Serv.					
Contract Serv (Aid in Lieu of Payment - Choice School)	80,500.00		80,500.00	54,900.00	25,600.00
Contract Services (Other than Between Home & School)-Vendors	12,300.00	258,532.42	270,832.42	215,649.24	55,183.18
Contr Serv (Spl. Ed. Students) - Joint Agrmt	444,000.00	94,939.98	538,939.98	532,899.98	6,040.00
Total Undist. Expend. - Student Transportation Serv.	536,800.00	353,472.40	890,272.40	803,449.22	86,823.18
UNALLOCATED BENEFITS					
Health Benefits	3,552,645.37	(870,081.68)	2,682,563.69	2,056,600.09	625,963.60
Other Employee Benefits	362,042.00	(190,635.07)	171,406.93	170,536.93	870.00
TOTAL UNALLOCATED BENEFITS	5,128,220.97	(1,056,004.33)	4,072,216.64	3,365,359.85	706,856.79

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
On-Behalf Contributions					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				\$ 883,665.00	\$ (883,665.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				3,729,540.00	(3,729,540.00)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				1,172.00	(1,172.00)
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)				52,619.00	(52,619.00)
Reimbursed TPAF Social Security (Non-Budgeted)				732,314.12	(732,314.12)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,399,310.12</u>	<u>(5,399,310.12)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>\$ 5,128,220.97</u>	<u>\$ (1,056,004.33)</u>	<u>\$ 4,072,216.64</u>	<u>8,764,669.97</u>	<u>(4,692,453.33)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,772,718.13</u>	<u>15,047.23</u>	<u>14,787,765.36</u>	<u>17,841,009.18</u>	<u>(3,053,243.82)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>23,089,532.50</u>	<u>208,251.31</u>	<u>23,297,783.81</u>	<u>25,989,339.27</u>	<u>(2,691,555.46)</u>
CAPITAL OUTLAY					
Equipment					
Administrative Information Technology		49,850.84	49,850.84	49,850.84	
Total Equipment	<u>-</u>	<u>49,850.84</u>	<u>49,850.84</u>	<u>49,850.84</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction Services		464,159.41	464,159.41	317,701.91	146,457.50
Buildings Other than Lease Purchase Agreement		15,500.00	15,500.00	8,158.00	7,342.00
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>479,659.41</u>	<u>479,659.41</u>	<u>325,859.91</u>	<u>153,799.50</u>
Increase in Impact Aid Reserve (Capital)	3,367.00		3,367.00		3,367.00
TOTAL CAPITAL OUTLAY	<u>3,367.00</u>	<u>529,510.25</u>	<u>532,877.25</u>	<u>375,710.75</u>	<u>157,166.50</u>
TOTAL EXPENDITURES	<u>23,092,899.50</u>	<u>737,761.56</u>	<u>23,830,661.06</u>	<u>26,365,050.02</u>	<u>(2,534,388.96)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>265,210.50</u>	<u>(732,463.56)</u>	<u>(467,253.06)</u>	<u>2,335,649.58</u>	<u>2,802,902.64</u>
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(13,626,576.59)		(13,626,576.59)	(13,081,137.91)	(545,438.68)
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	13,155,152.28	471,424.31	13,626,576.59	13,081,137.91	545,438.68
Total Other Financing Sources (Uses):	<u>(471,424.31)</u>	<u>471,424.31</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(206,213.81)</u>	<u>(261,039.25)</u>	<u>(467,253.06)</u>	<u>2,335,649.58</u>	<u>2,802,902.64</u>
Fund Balance, July 1	1,851,450.33	-	1,851,450.33	1,851,450.33	-
Fund Balance, June 30	<u>\$ 1,645,236.52</u>	<u>\$ (261,039.25)</u>	<u>\$ 1,384,197.27</u>	<u>\$ 4,187,099.91</u>	<u>\$ 2,802,902.64</u>

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Fund Balances:					
Restricted:					
Maintenance Reserve				\$ 632,000.00	
Capital Reserve				650,000.00	
Excess Surplus - Current Year				426,849.58	
Assigned:					
Other Purposes - Funds 11 - 13				667,408.38	
Other Purposes - Fund 15				800,437.35	
Unassigned				<u>1,010,404.60</u>	
				4,187,099.91	
Reconciliation to Governmental Funds Statements(GAAP):					
Last June State Aid Payments Not recognized on GAAP Basis				<u>(1,820,708.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,366,391.91</u>	

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
REVENUES:												
Local Sources:												
Ad Valorem Taxes - Local Tax Levy	\$ 2,538,749.00		\$ 2,538,749.00				\$ 2,538,749.00		\$ 2,538,749.00	\$ 2,538,749.00		\$ 2,538,749.00
Tuition from Other LEA's Within State	2,012,000.00		2,012,000.00				2,012,000.00		2,012,000.00	1,758,897.00		1,758,897.00
Interest Earned on Capital Reserve Funds	2,400.00		2,400.00				2,400.00		2,400.00			
Miscellaneous										3,281.35		3,281.35
Total - Local Sources	4,553,149.00	-	4,553,149.00	-	-	-	4,553,149.00	-	4,553,149.00	4,300,927.39	-	4,300,927.39
State Sources:												
School Choice Aid	22,204.00		22,204.00				22,204.00		22,204.00	22,204.00		22,204.00
Extraordinary Aid										171,775.00		171,775.00
Categorical Special Education Aid	723,650.00		723,650.00				723,650.00		723,650.00	723,650.00		723,650.00
Equalization Aid	15,110,758.00		15,110,758.00				15,110,758.00		15,110,758.00	15,110,758.00		15,110,758.00
Categorical Security Aid	425,317.00		425,317.00				425,317.00		425,317.00	425,317.00		425,317.00
Adjustment Aid	2,162,927.00		2,162,927.00				2,162,927.00		2,162,927.00	2,162,927.00		2,162,927.00
Categorical Transportation Aid	281,682.00		281,682.00				281,682.00		281,682.00	281,682.00		281,682.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										883,665.00		883,665.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										3,729,540.00		3,729,540.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)										1,172.00		1,172.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)										52,619.00		52,619.00
Reimbursed TPAF Social Security (Non-Budgeted)										732,314.12		732,314.12
Total State Sources	18,726,538.00	-	18,726,538.00	-	-	-	18,726,538.00	-	18,726,538.00	24,297,623.12	-	24,297,623.12
Federal Sources:												
Impact Aid	6,700.00		6,700.00	\$ 3,300.00		\$ 3,300.00	10,000.00		10,000.00			
Medicaid Reimbursement	71,723.00		71,723.00	1,998.00		1,998.00	73,721.00		73,721.00	102,149.09		102,149.09
Total - Federal Sources	78,423.00	-	78,423.00	5,298.00	-	5,298.00	83,721.00	-	83,721.00	102,149.09	-	102,149.09
Total Revenues	23,358,110.00	-	23,358,110.00	5,298.00	-	5,298.00	23,363,408.00	-	23,363,408.00	28,700,699.60	-	28,700,699.60
EXPENDITURES:												
Current Expense:												
Regular Programs - Instruction												
Kindergarten - Salaries of Teachers		\$ 395,410.00	395,410.00		\$ 7,585.84	7,585.84		\$ 402,995.84	402,995.84		\$ 389,718.63	389,718.63
Grades 1-5 - Salaries of Teachers		1,759,956.00	1,759,956.00		(44,258.64)	(44,258.64)		1,715,697.36	1,715,697.36		1,634,519.64	1,634,519.64
Grades 6-8 - Salaries of Teachers		1,144,443.00	1,144,443.00		(143,102.15)	(143,102.15)		1,001,340.85	1,001,340.85		997,852.45	997,852.45
Grades 9-12 - Salaries of Teachers		2,297,200.00	2,297,200.00		(31,957.39)	(31,957.39)		2,265,242.61	2,265,242.61		2,265,242.61	2,265,242.61
Regular Programs - Home Instruction:												
Salaries of Teachers				38,088.75		38,088.75	38,088.75		38,088.75	38,088.75		38,088.75
Purchased Professional-Educational Services	35,000.00		35,000.00	(7,894.43)		(7,894.43)	27,105.57		27,105.57	19,285.07		19,285.07
Regular Programs - Undistributed Instruction												
Other Salaries for Instruction		170,692.00	170,692.00		(28,917.66)	(28,917.66)		141,774.34	141,774.34		121,035.60	121,035.60
Purchased Professional-Educational Services		11,000.00	11,000.00		(10,121.05)	(10,121.05)		878.95	878.95		878.95	878.95
Purchased Technical Services		117,528.05	117,528.05		12,416.28	12,416.28		129,944.33	129,944.33		127,344.33	127,344.33
Other Purchased Services (400-500 series)		55,656.05	55,656.05		12,524.21	12,524.21		68,180.26	68,180.26		58,710.97	58,710.97
General Supplies		121,500.00	121,500.00		50,263.79	50,263.79		171,763.79	171,763.79		170,426.19	170,426.19
Textbooks		79,425.78	79,425.78		78,909.34	78,909.34		158,335.12	158,335.12		88,717.87	88,717.87
Other Objects		9,000.00	9,000.00		(8,024.38)	(8,024.38)		975.62	975.62		817.27	817.27
TOTAL REGULAR PROGRAMS - INSTRUCTION	35,000.00	6,161,810.88	6,196,810.88	30,194.32	(104,681.81)	(74,487.49)	65,194.32	6,057,129.07	6,122,323.39	57,373.82	5,855,264.51	5,912,638.33
SPECIAL EDUCATION - INSTRUCTION												
Multiple Disabilities:												
Salaries of Teachers		658,421.09	658,421.09		26,827.67	26,827.67		685,248.76	685,248.76		651,210.22	651,210.22
Other Salaries for Instruction		25,757.00	25,757.00		(18,884.50)	(18,884.50)		6,872.50	6,872.50		6,872.50	6,872.50
Other Purchased Services (400-500 series)		500.00	500.00		2,032.30	2,032.30		2,532.30	2,532.30		2,532.30	2,532.30
General Supplies		750.00	750.00		2,479.64	2,479.64		3,229.64	3,229.64		1,484.09	1,484.09
Total Multiple Disabilities	-	685,428.09	685,428.09	-	12,455.11	12,455.11	-	697,883.20	697,883.20	-	662,099.11	662,099.11
Resource Room/Resource Center:												
Salaries of Teachers		451,613.50	451,613.50		(12,947.98)	(12,947.98)		438,665.52	438,665.52		438,665.52	438,665.52
General Supplies		1,000.00	1,000.00		100.00	100.00		1,100.00	1,100.00		1,100.00	1,100.00
Total Resource Room/Resource Center	-	452,613.50	452,613.50	-	(12,847.98)	(12,847.98)	-	439,765.52	439,765.52	-	439,765.52	439,765.52
Preschool Disabilities - Full-Time:												
Salaries of Teachers		96,413.50	96,413.50		1,672.50	1,672.50		98,086.00	98,086.00		97,867.95	97,867.95
Other Salaries for Instruction		16,892.40	16,892.40		9,484.45	9,484.45		26,376.85	26,376.85		26,376.85	26,376.85
Total Preschool Disabilities - Full-Time	-	113,305.90	113,305.90	-	11,156.95	11,156.95	-	124,462.85	124,462.85	-	124,244.80	124,244.80

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Special Education - Home Instruction												
Salaries of Teachers				\$ 12,617.50		\$ 12,617.50	\$ 12,617.50		\$ 12,617.50	\$ 12,617.50		\$ 12,617.50
Purchase Professional - Educational Services	\$ 37,500.00		\$ 37,500.00	(17,180.00)		(17,180.00)	20,320.00		20,320.00	13,445.00		13,445.00
Total Special Education - Home Instruction	37,500.00	-	37,500.00	(4,562.50)	-	(4,562.50)	32,937.50	-	32,937.50	26,062.50	-	26,062.50
TOTAL SPECIAL EDUCATION - INSTRUCTION	37,500.00	\$ 1,251,347.49	1,288,847.49	(4,562.50)	\$ 10,764.08	6,201.58	32,937.50	\$ 1,262,111.57	1,295,049.07	26,062.50	\$ 1,226,109.43	1,252,171.93
Vocational Programs - Local - Instruction												
Salaries of Teachers		403,400.00	403,400.00		(71,825.00)	(71,825.00)		331,575.00	331,575.00		331,575.00	331,575.00
General Supplies		2,500.00	2,500.00		(2,500.00)	(2,500.00)						
Total Vocational Programs - Local - Instruction	-	405,900.00	405,900.00	-	(74,325.00)	(74,325.00)	-	331,575.00	331,575.00	-	331,575.00	331,575.00
School-Spon. Cocurricular Actvts. - Inst.												
Salaries		3,030.00	3,030.00		25,793.40	25,793.40		28,823.40	28,823.40		25,972.60	25,972.60
Purchased Services (300-500 series)		5,865.00	5,865.00		(639.04)	(639.04)		5,225.96	5,225.96		5,225.96	5,225.96
Supplies and Materials		500.00	500.00		10,146.66	10,146.66		10,646.66	10,646.66		9,815.53	9,815.53
Other Objects		1,000.00	1,000.00		26,683.90	26,683.90		27,683.90	27,683.90		27,683.90	27,683.90
Total School-Spon. Cocurricular Actvts. - Inst.	-	10,395.00	10,395.00	-	61,984.92	61,984.92	-	72,379.92	72,379.92	-	68,697.99	68,697.99
School-Spon. Cocurricular Athletics - Inst.												
Salaries		258,221.00	258,221.00		3,596.69	3,596.69		261,817.69	261,817.69		261,817.69	261,817.69
Purchased Services (300-500 series)		35,000.00	35,000.00		58,201.96	58,201.96		93,201.96	93,201.96		76,417.00	76,417.00
Supplies and Materials		35,000.00	35,000.00		87,201.79	87,201.79		122,201.79	122,201.79		80,182.27	80,182.27
Other Objects		23,140.00	23,140.00		20,892.83	20,892.83		44,032.83	44,032.83		44,032.83	44,032.83
Total School-Spon. Cocurricular Athletics - Inst.	-	351,361.00	351,361.00	-	169,893.27	169,893.27	-	521,254.27	521,254.27	-	462,449.79	462,449.79
Alternative Education Program - Inst.												
Purchased Prof-Technical Services		25,000.00	25,000.00		16,362.80	16,362.80		41,362.80	41,362.80		33,223.05	33,223.05
Total Alternative Education Program - Inst.	-	25,000.00	25,000.00	-	103,936.80	103,936.80	-	128,936.80	128,936.80	-	120,797.05	120,797.05
Community Services Programs/Operations												
Purchased Services (300-500 series)	38,500.00		38,500.00				38,500.00		38,500.00			
Total Community Services Programs/Operations	38,500.00	-	38,500.00	-	-	-	38,500.00	-	38,500.00	-	-	-
Total Instruction	111,000.00	8,205,814.37	8,316,814.37	25,631.82	167,572.26	193,204.08	136,631.82	8,373,386.63	8,510,018.45	83,436.32	8,064,893.77	8,148,330.09
Undistributed Expenditures - Instruction:												
Tuition to Other LEAs Within the State - Regular	3,925.00		3,925.00	72,360.16		72,360.16	76,285.16		76,285.16	72,285.16		72,285.16
Tuition to Other LEAs Within the State - Special	215,000.00		215,000.00	57,957.32		57,957.32	272,957.32		272,957.32	271,266.26		271,266.26
Tuition-County Voc.-Regular	55,000.00		55,000.00	50,000.00		50,000.00	105,000.00		105,000.00	79,106.73		79,106.73
Tuition to CSSD & Regional Day Schools	1,100,000.00		1,100,000.00	194,867.72		194,867.72	1,294,867.72		1,294,867.72	1,294,538.20		1,294,538.20
Tuition to Private Schools for the Disabled - Within State	425,000.00		425,000.00	(295,489.11)		(295,489.11)	129,510.89		129,510.89	104,818.89		104,818.89
Tuition - State Facilities	50,000.00		50,000.00	(8,004.29)		(8,004.29)	41,995.71		41,995.71	2,200.00		2,200.00
Total Undistributed Expenditures - Instruction	1,848,925.00	-	1,848,925.00	71,691.80	-	71,691.80	1,920,616.80	-	1,920,616.80	1,824,215.24	-	1,824,215.24
Undist. Expend. - Attend. & Social Work												
Salaries		149,078.16	149,078.16		(4,834.29)	(4,834.29)		144,243.87	144,243.87		144,243.87	144,243.87
Other Objects	750.00		750.00	(750.00)		(750.00)						
Total Undist. Expend. - Attend. & Social Work	750.00	149,078.16	149,828.16	(750.00)	(4,834.29)	(5,584.29)	-	144,243.87	144,243.87	-	144,243.87	144,243.87
Undist. Expend. - Health Services												
Salaries		193,536.00	193,536.00		(1,748.10)	(1,748.10)		191,787.90	191,787.90		191,787.90	191,787.90
Purchased Professional and Technical Services	22,500.00		22,500.00				22,500.00		22,500.00	22,500.00		22,500.00
Supplies and Materials		5,100.00	5,100.00		(2,032.18)	(2,032.18)		3,067.82	3,067.82		2,174.14	2,174.14
Total Undist. Expend. - Health Services	22,500.00	202,558.50	225,058.50	-	(4,370.28)	(4,370.28)	22,500.00	198,188.22	220,688.22	22,500.00	197,294.54	219,794.54
Undist. Expend. - Speech, OT, PT & Related Svcs												
Salaries	117,258.00		117,258.00	3,752.84		3,752.84	121,010.84		121,010.84	120,778.51		120,778.51
Purchased Professional - Educational Services	90,000.00		90,000.00	(50,407.00)		(50,407.00)	39,593.00		39,593.00	35,162.00		35,162.00
Supplies and Materials	4,000.00		4,000.00	(258.00)		(258.00)	3,742.00		3,742.00	2,218.66		2,218.66
Other Objects				558.00		558.00	558.00		558.00	558.00		558.00
Total Undist. Expend. - Speech, OT, PT & Related Svcs	211,258.00	-	211,258.00	(46,354.16)	-	(46,354.16)	164,903.84	-	164,903.84	158,717.17	-	158,717.17

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Required Supplementary Information
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.												
Salaries	\$ 168,650.00		\$ 168,650.00				\$ 168,650.00		\$ 168,650.00	\$ 160,359.09		\$ 160,359.09
Purchased Professional - Educational Services	614,000.00		614,000.00	\$ (117,711.94)		\$ (117,711.94)	496,288.06		496,288.06	85,238.00		85,238.00
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	782,650.00	-	782,650.00	(117,711.94)	-	(117,711.94)	664,938.06	-	664,938.06	245,597.09	-	245,597.09
Undist. Expend. - Guidance												
Salaries of Other Professional Staff		\$ 280,391.00	280,391.00		\$ 2,785.50	2,785.50		\$ 283,176.50	283,176.50		\$ 277,108.52	277,108.52
Salaries of Secretarial and Clerical Assistants		36,608.00	36,608.00		1,481.43	1,481.43		38,089.43	38,089.43		38,089.43	38,089.43
Other Salaries		1,450.00	1,450.00		(1,450.00)	(1,450.00)						
Other Purchased Prof. and Tech. Services		3,500.00	3,500.00		892.00	892.00		4,392.00	4,392.00		4,392.00	4,392.00
Other Purchased Services (400-500 series)		9,600.00	9,600.00		45.20	45.20		9,645.20	9,645.20		9,645.20	9,645.20
Supplies and Materials		6,577.50	6,577.50		(2,137.11)	(2,137.11)		4,440.39	4,440.39		4,440.39	4,440.39
Other Objects		750.00	750.00		(689.84)	(689.84)		60.16	60.16		60.16	60.16
Total Undist. Expend. - Guidance	-	338,876.50	338,876.50	-	927.18	927.18	-	339,803.68	339,803.68	-	333,735.70	333,735.70
Undist. Expend. - Child Study Teams												
Salaries of Other Professional Staff	364,132.00		364,132.00	22,655.05		22,655.05	386,787.05		386,787.05	386,787.05		386,787.05
Salaries of Secretarial and Clerical Assistants	56,411.00		56,411.00	(10.12)		(10.12)	56,400.88		56,400.88	56,400.88		56,400.88
Purchased Professional - Educational Services	273,287.00		273,287.00	(251,156.69)		(251,156.69)	22,130.31		22,130.31	9,082.00		9,082.00
Other Purchased Prof. and Tech. Services	105,000.00		105,000.00	35,689.62		35,689.62	140,689.62		140,689.62	121,986.50		121,986.50
Mis. Purchase Serv. (400-500 series)	7,000.00		7,000.00	389.35		389.35	7,389.35		7,389.35	5,171.80		5,171.80
Supplies and Materials	2,000.00		2,000.00	2,909.17		2,909.17	4,909.17		4,909.17	1,237.32		1,237.32
Other Objects	500.00		500.00	8,217.88		8,217.88	8,717.88		8,717.88	8,717.88		8,717.88
Total Undist. Expend. - Child Study Teams	808,330.00	-	808,330.00	(181,305.74)	-	(181,305.74)	627,024.26	-	627,024.26	589,383.23	-	589,383.23
Undist. Expend. - Improvement of Inst. Serv.												
Salaries of Other Professional Staff	121,480.00		121,480.00	(0.16)		(0.16)	121,479.84		121,479.84	114,938.62		114,938.62
Salaries of Sec and Clerical Assist.	13,000.00		13,000.00	(7,170.00)		(7,170.00)	5,830.00		5,830.00	5,830.00		5,830.00
Other Salaries		10,325.00	10,325.00		(9,205.00)	(9,205.00)		1,120.00	1,120.00		1,120.00	1,120.00
Purchased Prof. Educational Services		3,000.00	3,000.00		19,514.00	19,514.00		22,514.00	22,514.00		22,514.00	22,514.00
Other Purch Services (400-500)	4,250.00		4,250.00	(1,671.77)		(1,671.77)	2,578.23		2,578.23	2,578.23		2,578.23
Supplies and Materials	250.00		250.00	609.00		609.00	859.00		859.00	315.97		315.97
Other Objects	1,000.00		1,000.00	141.00		141.00	1,141.00		1,141.00			
Total Undist. Expend. - Improvement of Inst. Serv.	139,980.00	13,325.00	153,305.00	(8,091.93)	10,309.00	2,217.07	131,888.07	23,634.00	155,522.07	123,662.82	23,634.00	147,296.82
Undist. Expend. - Edu. Media Serv./Sch. Library												
Salaries		151,975.00	151,975.00		(290.33)	(290.33)		151,684.67	151,684.67		131,279.71	131,279.71
Salaries of Technology Coordinators		157,502.00	157,502.00		(1,256.32)	(1,256.32)		156,245.68	156,245.68		156,245.68	156,245.68
Purchased Professional and Technical Services		8,285.00	8,285.00		(246.95)	(246.95)		8,038.05	8,038.05		8,038.05	8,038.05
Supplies and Materials		9,657.50	9,657.50		644,063.69	644,063.69		653,721.19	653,721.19		10,223.87	10,223.87
Total Undist. Expend. - Edu. Media Serv./Sch. Library	-	327,419.50	327,419.50	-	642,270.09	642,270.09	-	969,689.59	969,689.59	-	305,787.31	305,787.31
Undist. Expend. - Instructional Staff Training Serv.												
Supplies and Materials	324.00		324.00	(115.00)		(115.00)	209.00		209.00	207.50		207.50
Total Undist. Expend. - Instructional Staff Training Serv.	324.00	-	324.00	(115.00)	-	(115.00)	209.00	-	209.00	207.50	-	207.50
Undist. Expend. - Supp. Serv. - General Admin.												
Salaries	215,251.00		215,251.00	(38,637.15)		(38,637.15)	176,613.85		176,613.85	176,613.85		176,613.85
Legal Services	75,000.00		75,000.00	63,882.69		63,882.69	138,882.69		138,882.69	137,698.89		137,698.89
Audit Fees	51,000.00		51,000.00	69,000.00		69,000.00	120,000.00		120,000.00	117,000.00		117,000.00
Other Purchased Professional Services	3,000.00		3,000.00		115.00	115.00		3,115.00	3,115.00	3,000.00		3,000.00
Purchased Technical Services	250,000.00		250,000.00	(136,849.05)		(136,849.05)	113,150.95		113,150.95			
Communications/Telephone	30,000.00		30,000.00	54,940.13		54,940.13	84,940.13		84,940.13	80,520.82		80,520.82
BOE Other Purchased Services	8,500.00		8,500.00	(4,886.00)		(4,886.00)	3,614.00		3,614.00	3,126.20		3,126.20
Miscellaneous Purchased Services	185,000.00		185,000.00	(88,967.90)		(88,967.90)	96,032.10		96,032.10	70,397.28		70,397.28
Supplies and Materials	3,500.00		3,500.00	(1,238.57)		(1,238.57)	2,261.43		2,261.43	2,247.83		2,247.83
BOE In-House Training/Meeting Supplies	2,500.00		2,500.00	6,894.25		6,894.25	9,394.25		9,394.25	9,394.25		9,394.25
Judgements Against The School District	283.00		283.00	(283.00)		(283.00)						
Miscellaneous Expenditures	10,000.00		10,000.00	2,787.53		2,787.53	12,787.53		12,787.53	12,787.53		12,787.53
BOE Membership Dues and Fees	3,000.00		3,000.00	4,669.24		4,669.24	7,669.24		7,669.24	4,419.24		4,419.24
Total Undist. Expend. - Supp. Serv. - General Admin.	837,034.00	-	837,034.00	(68,572.83)	-	(68,572.83)	768,461.17	-	768,461.17	617,205.89	-	617,205.89

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Required Supplementary Information
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2022

Table with columns: ORIGINAL BUDGET, BUDGET TRANSFERS, FINAL BUDGET, ACTUAL. Rows include categories like Undist. Expend. - Support Serv. - School Admin., Undistributed Expenditures - Central Services, etc.

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
UNALLOCATED BENEFITS												
Group Insurance	\$ 215,533.60		\$ 215,533.60				\$ 215,533.60		\$ 215,533.60	\$ 215,533.60		\$ 215,533.60
Social Security Contributions	235,000.00		235,000.00	\$ 54,950.59		\$ 54,950.59	289,950.59		289,950.59	278,417.48		278,417.48
Other Retirement Contributions - PERS	410,000.00		410,000.00	25,528.88		25,528.88	435,528.88		435,528.88	435,528.88		435,528.88
Unemployment Compensation	98,000.00		98,000.00	(7,017.20)		(7,017.20)	90,982.80		90,982.80	56,478.77		56,478.77
Workmen's Compensation	245,000.00		245,000.00	(58,749.85)		(58,749.85)	186,250.15		186,250.15	152,264.10		152,264.10
Health Benefits	924,580.40	\$ 2,628,064.97	3,552,645.37	(265,264.01)	\$(604,817.67)	(870,081.68)	659,316.39	\$ 2,023,247.30	2,682,563.69	314,388.06	\$ 1,742,212.03	2,056,600.09
Tuition Reimbursement	10,000.00		10,000.00	(10,000.00)		(10,000.00)						
Other Employee Benefits	202,500.00	159,542.00	362,042.00	(171,552.98)	(19,082.09)	(190,635.07)	30,947.02	140,459.91	171,406.93	30,077.02	140,459.91	170,536.93
TOTAL UNALLOCATED BENEFITS	2,340,614.00	2,787,606.97	5,128,220.97	(432,104.57)	(623,899.76)	(1,056,004.33)	1,908,509.43	2,163,707.21	4,072,216.64	1,482,687.91	1,882,671.94	3,365,359.85
On-Behalf Contributions												
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)										883,665.00		883,665.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)										3,729,540.00		3,729,540.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)										1,172.00		1,172.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)										52,619.00		52,619.00
Reimbursed TPAF Social Security (Non-Budgeted)										732,314.12		732,314.12
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	5,399,310.12	-	5,399,310.12
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,340,614.00	2,787,606.97	5,128,220.97	(432,104.57)	(623,899.76)	(1,056,004.33)	1,908,509.43	2,163,707.21	4,072,216.64	6,881,998.03	1,882,671.94	8,764,669.97
TOTAL UNDISTRIBUTED EXPENDITURES	9,721,293.00	5,051,425.13	14,772,718.13	(288,804.82)	303,852.05	15,047.23	9,432,488.18	5,355,277.18	14,787,765.36	13,523,115.17	4,317,894.01	17,841,009.18
TOTAL GENERAL CURRENT EXPENSE	9,832,293.00	13,257,239.50	23,089,532.50	(263,173.00)	471,424.31	208,251.31	9,569,120.00	13,728,663.81	23,297,783.81	13,606,551.49	12,382,787.78	25,989,339.27
CAPITAL OUTLAY												
Undistributed Expenditures:												
Administrative Information Technology				49,850.84		49,850.84	49,850.84		49,850.84	49,850.84		49,850.84
Total Equipment	-	-	-	49,850.84	-	49,850.84	49,850.84	-	49,850.84	49,850.84	-	49,850.84
Facilities Acquisition and Construction Services												
Construction Services				464,159.41		464,159.41	464,159.41		464,159.41	317,701.91		317,701.91
Land and Improvements	15,500.00						15,500.00		15,500.00	8,158.00		8,158.00
Total Facilities Acquisition and Construction Services	15,500.00	-	15,500.00	464,159.41	-	464,159.41	479,659.41	-	479,659.41	325,859.91	-	325,859.91
Increase in Impact Aid Reserve (Capital)	3,367.00		3,367.00				3,367.00		3,367.00			
TOTAL CAPITAL OUTLAY	18,867.00	-	18,867.00	514,010.25	-	514,010.25	532,877.25	-	532,877.25	375,710.75	-	375,710.75
TOTAL EXPENDITURES	9,851,160.00	13,257,239.50	23,108,399.50	250,837.25	471,424.31	722,261.56	10,101,997.25	13,728,663.81	23,830,661.06	13,982,262.24	12,382,787.78	26,365,050.02
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,506,950.00	(13,257,239.50)	249,710.50	(245,539.25)	(471,424.31)	(716,963.56)	13,261,410.75	(13,728,663.81)	(467,253.06)	14,718,437.36	(12,382,787.78)	2,335,649.58
Other Financing Sources (Uses):												
Operating Transfers Out:												
Contr. to Whole School Reform - General Fund	(13,626,576.59)		(13,626,576.59)				(13,626,576.59)		(13,626,576.59)	(13,081,137.91)		(13,081,137.91)
Operating Transfers In:												
Contr. to Whole School Reform - General Fund		13,155,152.28	13,155,152.28		471,424.31	471,424.31		13,626,576.59	13,626,576.59		13,081,137.91	13,081,137.91
Total Other Financing Sources (Uses):	(13,626,576.59)	13,155,152.28	(471,424.31)	-	471,424.31	471,424.31	(13,626,576.59)	13,626,576.59	-	(13,081,137.91)	13,081,137.91	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(119,626.59)	(102,087.22)	(221,713.81)	(245,539.25)	(0.00)	(245,539.25)	(365,165.84)	(102,087.22)	(467,253.06)	1,637,299.45	698,350.13	2,335,649.58
Fund Balance, July 1	1,749,363.11	102,087.22	1,851,450.33	-	-	-	1,749,363.11	102,087.22	1,851,450.33	1,749,363.11	102,087.22	1,851,450.33
Fund Balance, June 30	\$ 1,629,736.52	-	\$ 1,629,736.52	\$ (245,539.25)	-	\$ (245,539.25)	\$ 1,384,197.27	-	\$ 1,384,197.27	\$ 3,386,662.56	\$ 800,437.35	\$ 4,187,099.91

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Programs	\$ 17,342.00	\$ 185,000.00	\$ 202,342.00	\$ 194,466.97	\$ 7,875.03
Total - Local Sources	17,342.00	185,000.00	202,342.00	194,466.97	7,875.03
State Sources:					
Preschool Education	2,437,689.00		2,437,689.00	2,054,904.45	382,784.55
Other State Programs	629,206.00	(750.00)	628,456.00	404,538.69	223,917.31
Total - State Sources	3,066,895.00	(750.00)	3,066,145.00	2,459,443.14	606,701.86
Federal Sources:					
Title I	891,326.00	7,538.00	898,864.00	931,502.81	(32,638.81)
Title I, SIA	59,662.00	(100.00)	59,562.00	58,405.42	1,156.58
Title II	76,164.00		76,164.00	76,164.00	
Title IV	62,306.00	12,852.00	75,158.00	62,306.00	12,852.00
I.D.E.A., Part B	352,210.00		352,210.00	352,210.00	
I.D.E.A., Part B, Preschool Incentive	8,651.00	(615.00)	8,036.00	8,035.90	0.10
I.D.E.A., Part B, ARP	70,657.00		70,657.00	70,657.00	
I.D.E.A., Part B, Preschool Incentive, ARP	5,988.00		5,988.00	5,988.00	
Vocational-Federal Secondary	14,261.00		14,261.00	14,261.00	
CRRSA - ESSER II	2,797,869.00		2,797,869.00	940,387.39	1,857,481.61
CRRSA - ESSER III	6,416,806.00		6,416,806.00	941,713.85	5,475,092.15
Mental Health (ESSER II)	45,000.00		45,000.00	45,000.00	
Mental Health (ESSER III)	88,501.00		88,501.00	88,501.00	
Learning Acceleration (ESSER II)	40,000.00		40,000.00	40,000.00	
Learning Acceleration (ESSER III)	179,553.00		179,553.00	142,560.75	36,992.25
Re-Opening and Remote Learning		7,001.88	7,001.88	7,001.88	
ARP - Homeless II	46,005.00		46,005.00	46,005.00	
CARES Act	114,392.52	75,170.76	189,563.28	109,177.78	80,385.50
Total - Federal Sources	11,269,351.52	101,847.64	11,371,199.16	3,939,877.78	7,431,321.38
Total Revenues	14,353,588.52	286,097.64	14,639,686.16	6,593,787.89	8,045,898.27
EXPENDITURES:					
Instruction:					
Salaries	665,789.41	(615.80)	665,173.61	419,020.46	246,153.15
Salaries of Teachers	928,135.84	(145,313.11)	782,822.73	647,748.77	135,073.96
Other Salaries for Instruction	268,636.00	(5,975.00)	262,661.00	255,977.18	6,683.82
Purchased Professional and Technical Services	257,879.00		257,879.00	155,931.75	101,947.25
Other Purchased Services (400-500 series)	1,873.00		1,873.00	831.13	1,041.87
Tuition	352,210.00		352,210.00	352,210.00	
Supplies and Material	334,062.12	12,596.32	346,658.44	195,985.94	150,672.50
Textbooks	27,903.00		27,903.00	27,903.00	
Other Objects		7,001.88	7,001.88	7,001.88	
Total Instruction	2,836,488.37	(132,305.71)	2,704,182.66	2,062,610.11	641,572.55
Support Services:					
Salaries	163,326.00	4,601.28	167,927.28	167,320.40	606.88
Salaries of Principals/Asst. Principals/Program Directors	108,554.00	1,522.50	110,076.50	110,076.34	0.16
Salaries of Other Professional Staff	323,277.16	(560.00)	322,717.16	317,359.54	5,357.62
Salaries of Secretarial and Clerical Assistants	35,200.00	(1,307.00)	33,893.00	33,813.85	79.15
Salaries - Other Salaries for Instruction	2,552.00	(231.50)	2,320.50	2,320.50	
Salaries - Other	71,565.00		71,565.00	70,391.68	1,173.32
Salaries of Master Teachers	72,785.00		72,785.00	72,784.80	0.20
Personal Services - Employee Benefits	942,345.84	100,925.31	1,043,271.15	792,874.84	250,396.31
Purchased Professional and Technical Services	1,420,732.00	(377,324.00)	1,043,408.00	473,815.00	569,593.00
Cleaning, Repair & Maintenance Services	2,500.00		2,500.00	2,500.00	
Rentals	920.85	3,201.40	4,122.25	3,077.97	1,044.28
Other Purchased Services (400-500 series)	5,168,203.00		5,168,203.00	961,800.96	4,206,402.04
Miscellaneous Purchased Service	80,675.25	4,800.00	85,475.25	85,322.25	153.00
Supplies and Material	160,657.90	414,336.69	574,994.59	193,091.12	381,903.47
General Supplies	29,080.40	76,555.96	105,636.36	25,330.46	80,305.90
Other Objects	212,469.75	6,882.71	219,352.46	91,907.21	127,445.25
Homeless Reserve	6,000.00		6,000.00	6,000.00	
Scholarships Awarded		10,000.00	10,000.00	9,400.00	600.00
Student Activities		175,000.00	175,000.00	170,515.33	4,484.67
Total Support Services	8,800,844.15	418,403.35	9,219,247.50	3,583,702.25	5,635,545.25

(Continued)

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Facilities Acquisition/Construction:					
Buildings	\$ 7,342.00		\$ 7,342.00	\$ 7,342.00	
Noninstructional Equipment	2,672,269.00		2,672,269.00	940,387.39	\$ 1,731,881.61
Total Facilities Acquisition and Construction Services	<u>2,679,611.00</u>	-	<u>2,679,611.00</u>	<u>947,729.39</u>	<u>1,731,881.61</u>
Total Expenditures	<u>14,316,943.52</u>	<u>\$ 286,097.64</u>	<u>14,603,041.16</u>	<u>6,594,041.75</u>	<u>8,008,999.41</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 36,645.00</u>	-	<u>\$ 36,645.00</u>	<u>(253.86)</u>	<u>\$ 36,898.86</u>
Fund Balance, July 1				<u>125,348.42</u>	
Fund Balance, June 30				<u>\$ 125,094.56</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 72,612.51	
Uniform Trust				267.83	
Student Activities				<u>52,214.22</u>	
Total Fund Balance				<u>\$ 125,094.56</u>	

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 28,700,699.60	\$ 6,593,787.89
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(987,508.13)
Prior Year		218,598.28
The June 2021 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	1,654,310.00	234,630.00
The June 2022 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(1,820,708.00)</u>	<u>(238,590.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 28,534,301.60</u>	<u>\$ 5,820,918.04</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 26,365,050.02	\$ 6,594,041.75
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(987,508.13)
Prior Year		218,598.28
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 26,365,050.02</u>	<u>\$ 5,825,131.90</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0315069497%	0.0324982990%	0.0322089287%	0.0343480400%	0.0350030635%
School District's Proportionate Share of the Net Pension Liability	\$ 3,732,471.00	\$ 5,299,623.00	\$ 5,803,560.00	\$ 6,762,957.00	\$ 8,148,154.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,569,232.00	\$ 2,547,420.00	\$ 2,430,924.00	\$ 2,566,888.00	\$ 2,565,656.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	145.28%	208.04%	238.74%	263.47%	317.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
School District's Proportion of the Net Pension Liability	0.0382403717%	0.03731547430%	0.0377813500%	0.0349458710%	
School District's Proportionate Share of the Net Pension Liability	\$ 11,325,701.00	\$ 8,376,576.00	\$ 7,073,702.00	\$ 6,678,850.00	
School District's Covered Payroll (Plan Measurement Period)	\$ 2,795,608.00	\$ 2,760,036.00	\$ 2,738,892.00	\$ 2,580,056.00	
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	405.12%	303.50%	258.27%	258.86%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

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

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

	Fiscal Year Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 395,528.00	\$ 368,983.00	\$ 355,516.00	\$ 313,298.00	\$ 341,652.00
Contributions in Relation to the Contractually Required Contribution	<u>(395,528.00)</u>	<u>(368,983.00)</u>	<u>(355,516.00)</u>	<u>(313,298.00)</u>	<u>(341,652.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,390,360.00	\$ 2,256,970.00	\$ 2,387,836.00	\$ 2,415,075.00	\$ 2,289,251.00
Contributions as a Percentage of School District's Covered Payroll	16.55%	16.35%	14.89%	12.97%	14.92%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually Required Contribution	\$ 324,266.00	\$ 339,722.00	\$ 320,813.00	\$ 311,464.00	
Contributions in Relation to the Contractually Required Contribution	<u>(324,266.00)</u>	<u>(339,722.00)</u>	<u>(320,813.00)</u>	<u>(311,464.00)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
School District's Covered Payroll (Fiscal Year)	\$ 2,377,798.00	\$ 2,445,899.00	\$ 2,588,244.00	\$ 2,557,351.00	
Contributions as a Percentage of School District's Covered Payroll	13.64%	13.89%	12.40%	12.18%	

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

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>43,871,984.00</u>	<u>61,774,066.00</u>	<u>60,836,654.00</u>	<u>61,299,907.00</u>	<u>65,528,863.00</u>
	<u>\$ 43,871,984.00</u>	<u>\$ 61,774,066.00</u>	<u>\$ 60,836,654.00</u>	<u>\$ 61,299,907.00</u>	<u>\$ 65,528,863.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 12,056,008.00	\$ 11,711,884.00	\$ 11,850,992.00	\$ 12,163,332.00	\$ 11,866,184.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	363.90%	527.45%	513.35%	503.97%	552.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>80,817,071.00</u>	<u>67,334,061.00</u>	<u>56,769,558.00</u>	<u>56,554,811.00</u>	
	<u>\$ 80,817,071.00</u>	<u>\$ 67,334,061.00</u>	<u>\$ 56,769,558.00</u>	<u>\$ 56,554,811.00</u>	
School District's Covered Payroll (Plan Measurement Period)	\$ 11,623,172.00	\$ 12,028,444.00	\$ 12,408,732.00	\$ 12,292,876.00	
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	695.31%	559.79%	457.50%	460.06%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%	

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

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

This schedule is not applicable.

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

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

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

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

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

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

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

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District					
Changes for the Year:					
Service Cost	\$ 3,087,204.00	\$ 1,786,010.00	\$ 1,813,818.00	\$ 2,172,787.00	\$ 2,613,353.00
Interest Cost	1,497,089.00	1,504,482.00	1,865,354.00	2,100,631.00	1,807,849.00
Changes in Benefit Terms	(61,427.00)				
Difference Between Expected and Actual Experience	(12,916,949.00)	10,998,482.00	(8,299,047.00)	(7,769,069.00)	-
Changes in Assumptions	56,936.00	12,273,184.00	622,667.00	(5,393,784.00)	(7,494,251.00)
Member Contributions	38,273.00	35,454.00	38,001.00	43,438.00	48,705.00
Gross Benefit Payments	(1,179,287.00)	(1,169,711.00)	(1,281,952.00)	(1,256,833.00)	(1,322,683.00)
Net Change in Total Non-Employer OPEB Liability	(9,478,161.00)	25,427,901.00	(5,241,159.00)	(10,102,830.00)	(4,347,027.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>67,189,345.00</u>	<u>41,761,444.00</u>	<u>47,002,603.00</u>	<u>57,105,433.00</u>	<u>61,452,460.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 57,711,184.00</u>	<u>\$ 67,189,345.00</u>	<u>\$ 41,761,444.00</u>	<u>\$ 47,002,603.00</u>	<u>\$ 57,105,433.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 11,936,076.00</u>	<u>\$ 12,630,791.00</u>	<u>\$ 12,422,859.00</u>	<u>\$ 12,119,110.00</u>	<u>\$ 12,694,721.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	483.50%	531.95%	336.17%	387.84%	449.84%

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

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

Changes in Benefit Terms:

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

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

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

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Combining Balance Sheet
 June 30, 2022

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Assets:			
Cash and Cash Equivalents	\$ 2,030,264.97		\$ 2,030,264.97
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 800,437.35	800,437.35
Special Revenue Fund	414,718.58		414,718.58
Capital Projects Fund	8,239.02		8,239.02
Intergovernmental Accounts Receivable:			
State	2,089,199.66		2,089,199.66
Other Accounts Receivable	400.00		400.00
Total Assets	\$ 4,542,822.23	\$ 800,437.35	\$ 5,343,259.58
Liabilities and Fund Balances:			
Payroll Deductions and Withholdings Payable	\$ 156,141.09		\$ 156,141.09
Interfund Accounts Payable:			
Blended Resource Fund (15)	800,437.35		800,437.35
Proprietary Fund - Food Service Fund	199,581.23		199,581.23
Total Liabilities	1,156,159.67		1,156,159.67
Fund Balances:			
Restricted:			
Maintenance Reserve	632,000.00		632,000.00
Capital Reserve	650,000.00		650,000.00
Excess Surplus - Current Year	426,849.58		426,849.58
Assigned:			
Other Purposes	667,408.38	\$ 800,437.35	1,467,845.73
Unassigned	1,010,404.60		1,010,404.60
Total Fund Balances	3,386,662.56	800,437.35	4,187,099.91
Total Liabilities and Fund Balances	\$ 4,542,822.23	\$ 800,437.35	\$ 5,343,259.58

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Combined Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2022

District-wide

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 13,626,576.59		\$ 12,280,700.56	\$ 1,345,876.03
General Fund Reserve for Encumbrances at June 30, 2021	102,087.22		102,087.22	
Combined General Fund Contribution & State Resources	<u>13,728,663.81</u>	<u>100.00%</u>	<u>12,382,787.78</u>	<u>1,345,876.03</u>
Totals	<u>\$ 13,728,663.81</u>	<u>100.00%</u>	<u>\$ 12,382,787.78</u>	<u>\$ 1,345,876.03</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2022

School: John Fenwick School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 2,560,985.63		\$ 2,256,517.03	\$ 304,468.60
General Fund Reserve for Encumbrances at June 30, 2021	3,688.28		3,688.28	
Combined General Fund Contribution & State Resources	<u>2,564,673.91</u>	<u>100.00%</u>	<u>2,260,205.31</u>	<u>304,468.60</u>
Totals	<u>\$ 2,564,673.91</u>	<u>100.00%</u>	<u>\$ 2,260,205.31</u>	<u>\$ 304,468.60</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2022

School: Salem Middle School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 4,838,337.75		\$ 4,234,373.80	\$ 603,963.95
General Fund Reserve for Encumbrances at June 30, 2021	48,868.06		48,868.06	
Combined General Fund Contribution & State Resources	4,887,205.81	100.00%	4,283,241.86	603,963.95
Totals	\$ 4,887,205.81	100.00%	\$ 4,283,241.86	\$ 603,963.95

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2022

School: Salem High School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 6,227,253.21		\$ 5,789,809.73	\$ 437,443.48
General Fund Reserve for Encumbrances at June 30, 2021	49,530.88		49,530.88	
Combined General Fund Contribution & State Resources	<u>6,276,784.09</u>	<u>100.00%</u>	<u>5,839,340.61</u>	<u>437,443.48</u>
Totals	<u>\$ 6,276,784.09</u>	<u>100.00%</u>	<u>\$ 5,839,340.61</u>	<u>\$ 437,443.48</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 395,410.00	\$ 7,585.84	\$ 402,995.84	\$ 389,718.63	\$ 13,277.21
Grades 1-5 - Salaries of Teachers	1,759,956.00	(44,258.64)	1,715,697.36	1,634,519.64	81,177.72
Grades 6-8 - Salaries of Teachers	1,144,443.00	(143,102.15)	1,001,340.85	997,852.45	3,488.40
Grades 9-12 - Salaries of Teachers	2,297,200.00	(31,957.39)	2,265,242.61	2,265,242.61	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	170,692.00	(28,917.66)	141,774.34	121,035.60	20,738.74
Purchased Prof- Educational Services	11,000.00	(10,121.05)	878.95	878.95	
Purchased Technical Services	117,528.05	12,416.28	129,944.33	127,344.33	2,600.00
Other Purchased Services (400-500 series)	55,656.05	12,524.21	68,180.26	58,710.97	9,469.29
General Supplies	121,500.00	50,263.79	171,763.79	170,426.19	1,337.60
Textbooks	79,425.78	78,909.34	158,335.12	88,717.87	69,617.25
Other Objects	9,000.00	(8,024.38)	975.62	817.27	158.35
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,161,810.88	(104,681.81)	6,057,129.07	5,855,264.51	201,864.56
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	658,421.09	26,827.67	685,248.76	651,210.22	34,038.54
Other Salaries for Instruction	25,757.00	(18,884.50)	6,872.50	6,872.50	
Other Purchased Services (400-500 series)	500.00	2,032.30	2,532.30	2,532.30	
General Supplies	750.00	2,479.64	3,229.64	1,484.09	1,745.55
Total Multiple Disabilities	685,428.09	12,455.11	697,883.20	662,099.11	35,784.09
Resource Room/Resource Center:					
Salaries of Teachers	451,613.50	(12,947.98)	438,665.52	438,665.52	
General Supplies	1,000.00	100.00	1,100.00	1,100.00	
Total Resource Room/Resource Center	452,613.50	(12,847.98)	439,765.52	439,765.52	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 96,413.50	\$ 1,672.50	\$ 98,086.00	\$ 97,867.95	\$ 218.05
Other Salaries for Instruction	16,892.40	9,484.45	26,376.85	26,376.85	
Total Preschool Disabilities - Full-Time	<u>113,305.90</u>	<u>11,156.95</u>	<u>124,462.85</u>	<u>124,244.80</u>	<u>218.05</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,251,347.49</u>	<u>10,764.08</u>	<u>1,262,111.57</u>	<u>1,226,109.43</u>	<u>36,002.14</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	403,400.00	(71,825.00)	331,575.00	331,575.00	
General Supplies	2,500.00	(2,500.00)			
Total Vocational Programs - Local - Instruction	<u>405,900.00</u>	<u>(74,325.00)</u>	<u>331,575.00</u>	<u>331,575.00</u>	<u>-</u>
School-Spon. Cocurricular Activities. - Inst.					
Salaries	3,030.00	25,793.40	28,823.40	25,972.60	2,850.80
Purchased Services (300-500 series)	5,865.00	(639.04)	5,225.96	5,225.96	
Supplies and Materials	500.00	10,146.66	10,646.66	9,815.53	831.13
Other Objects	1,000.00	26,683.90	27,683.90	27,683.90	
Total School-Spon. Cocurricular Activities. - Inst.	<u>10,395.00</u>	<u>61,984.92</u>	<u>72,379.92</u>	<u>68,697.99</u>	<u>3,681.93</u>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	258,221.00	3,596.69	261,817.69	261,817.69	
Purchased Services (300-500 series)	35,000.00	58,201.96	93,201.96	76,417.00	16,784.96
Supplies and Materials	35,000.00	87,201.79	122,201.79	80,182.27	42,019.52
Other Objects	23,140.00	20,892.83	44,032.83	44,032.83	
Total School-Spon. Cocurricular Athletics - Inst.	<u>351,361.00</u>	<u>169,893.27</u>	<u>521,254.27</u>	<u>462,449.79</u>	<u>58,804.48</u>
Alternative Education Program - Inst.					
Purchased Prof-Technical Services	25,000.00	16,362.80	41,362.80	33,223.05	8,139.75
Total Alternative Education Program - Inst.	<u>25,000.00</u>	<u>103,936.80</u>	<u>128,936.80</u>	<u>120,797.05</u>	<u>8,139.75</u>
Total Instruction	<u>8,205,814.37</u>	<u>167,572.26</u>	<u>8,373,386.63</u>	<u>8,064,893.77</u>	<u>308,492.86</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 149,078.16	\$ (4,834.29)	\$ 144,243.87	\$ 144,243.87	
Total Undistributed Expend. - Attend. & Social Work	<u>149,078.16</u>	<u>(4,834.29)</u>	<u>144,243.87</u>	<u>144,243.87</u>	<u>-</u>
Undistributed Expenditures - Health Services					
Salaries	193,536.00	(1,748.10)	191,787.90	191,787.90	
Other Purchased Services (400-500 series)	3,922.50	(590.00)	3,332.50	3,332.50	
Supplies and Materials	5,100.00	(2,032.18)	3,067.82	2,174.14	\$ 893.68
Total Undistributed Expenditures - Health Services	<u>202,558.50</u>	<u>(4,370.28)</u>	<u>198,188.22</u>	<u>197,294.54</u>	<u>893.68</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	280,391.00	2,785.50	283,176.50	277,108.52	6,067.98
Salaries of Secretarial and Clerical Assistants	36,608.00	1,481.43	38,089.43	38,089.43	
Other Salaries	1,450.00	(1,450.00)			
Other Purchased Prof. and Tech. Services	3,500.00	892.00	4,392.00	4,392.00	
Other Purchased Services (400-500 series)	9,600.00	45.20	9,645.20	9,645.20	
Supplies and Materials	6,577.50	(2,137.11)	4,440.39	4,440.39	
Other Objects	750.00	(689.84)	60.16	60.16	
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>338,876.50</u>	<u>927.18</u>	<u>339,803.68</u>	<u>333,735.70</u>	<u>6,067.98</u>
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	10,325.00	(9,205.00)	1,120.00	1,120.00	
Purchased Prof- Educational Services	3,000.00	19,514.00	22,514.00	22,514.00	
Total Undist. Expend. - Improvement of Inst. Serv.	<u>13,325.00</u>	<u>10,309.00</u>	<u>23,634.00</u>	<u>23,634.00</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	151,975.00	(290.33)	151,684.67	131,279.71	20,404.96
Salaries of Technology Coordinators	157,502.00	(1,256.32)	156,245.68	156,245.68	
Purchased Professional and Technical Services	8,285.00	(246.95)	8,038.05	8,038.05	
Supplies and Materials	9,657.50	644,063.69	653,721.19	10,223.87	643,497.32
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>327,419.50</u>	<u>642,270.09</u>	<u>969,689.59</u>	<u>305,787.31</u>	<u>663,902.28</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 746,446.00	\$ (1.12)	\$ 746,444.88	\$ 739,415.15	\$ 7,029.73
Salaries of Secretarial and Clerical Assistants	121,298.84	210.30	121,509.14	121,509.14	
Purchased Professional and Technical Services		130.00	130.00		130.00
Other Purchased Services (400-500 series)	19,000.00	(4,416.41)	14,583.59	13,145.39	1,438.20
Supplies and Materials	25,524.34	1,594.12	27,118.46	26,268.93	849.53
Other Objects	141,358.32	8,098.50	149,456.82	142,658.47	6,798.35
Total Undist. Expend. - Support Serv. - School Admin.	<u>1,053,627.50</u>	<u>5,615.39</u>	<u>1,059,242.89</u>	<u>1,042,997.08</u>	<u>16,245.81</u>
Undist. Expend. - Security					
Salaries	159,683.00	14,630.33	174,313.33	161,998.33	12,315.00
Purchased Professional and Technical Services	11,750.00	(1,310.00)	10,440.00	10,440.00	
Total Undist. Expend. - Security	<u>171,433.00</u>	<u>15,060.30</u>	<u>186,493.30</u>	<u>172,438.33</u>	<u>14,054.97</u>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	7,500.00	262,774.42	270,274.42	215,091.24	55,183.18
Total Undist. Expend. - Student Transportation Serv.	<u>7,500.00</u>	<u>262,774.42</u>	<u>270,274.42</u>	<u>215,091.24</u>	<u>55,183.18</u>
UNALLOCATED BENEFITS					
Health Benefits	2,628,064.97	(604,817.67)	2,023,247.30	1,742,212.03	281,035.27
Other Employee Benefits	159,542.00	(19,082.09)	140,459.91	140,459.91	
TOTAL UNALLOCATED BENEFITS	<u>2,787,606.97</u>	<u>(623,899.76)</u>	<u>2,163,707.21</u>	<u>1,882,671.94</u>	<u>281,035.27</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,787,606.97	\$ (623,899.76)	\$ 2,163,707.21	\$ 1,882,671.94	\$ 281,035.27
TOTAL UNDISTRIBUTED EXPENDITURES	5,051,425.13	303,852.05	5,355,277.18	4,317,894.01	1,037,383.17
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,257,239.50	471,424.31	13,728,663.81	12,382,787.78	1,345,876.03
TOTAL SCHOOL BASED EXPENDITURES	13,257,239.50	471,424.31	13,728,663.81	12,382,787.78	1,345,876.03
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	13,155,152.28	471,424.31	13,626,576.59	13,081,137.91	545,438.68
Total Other Financing Sources	13,155,152.28	471,424.31	13,626,576.59	13,081,137.91	545,438.68
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(102,087.22)	(0.00)	(102,087.22)	698,350.13	800,437.35
Fund Balance, July 1	102,087.22		102,087.22	102,087.22	
Fund Balance, June 30	-	-	-	\$ 800,437.35	\$ 800,437.35

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: John Fenwick School

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 395,410.00	\$ 7,585.84	\$ 402,995.84	\$ 389,718.63	\$ 13,277.21
Grades 1-5 - Salaries of Teachers	738,414.00	41,297.17	779,711.17	758,766.45	20,944.72
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	130,725.00	(28,917.66)	101,807.34	81,068.60	20,738.74
Purchased Prof- Educational Services	10,000.00	(10,000.00)			
Purchased Technical Services	33,596.01	2,739.40	36,335.41	36,335.41	
Other Purchased Services (400-500 series)	10,000.00	821.89	10,821.89	3,160.74	7,661.15
General Supplies	25,000.00	(1,662.41)	23,337.59	23,291.87	45.72
Textbooks	1,000.00	29,325.00	30,325.00	30,325.00	
Other Objects	1,000.00	(725.95)	274.05	162.25	111.80
	<u>1,345,145.01</u>	<u>40,463.28</u>	<u>1,385,608.29</u>	<u>1,322,828.95</u>	<u>62,779.34</u>
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	110,106.09	26,486.67	136,592.76	136,592.76	
Other Salaries for Instruction	2,916.00		2,916.00	2,916.00	
	<u>113,022.09</u>	<u>26,486.67</u>	<u>139,508.76</u>	<u>139,508.76</u>	<u>-</u>
Total Multiple Disabilities					
	<u>113,022.09</u>	<u>26,486.67</u>	<u>139,508.76</u>	<u>139,508.76</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	44,461.00	(43,621.00)	840.00	840.00	
	<u>44,461.00</u>	<u>(43,621.00)</u>	<u>840.00</u>	<u>840.00</u>	<u>-</u>
Total Resource Room/Resource Center					
	<u>44,461.00</u>	<u>(43,621.00)</u>	<u>840.00</u>	<u>840.00</u>	<u>-</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: John Fenwick School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 90,463.50	\$ 1,672.50	\$ 92,136.00	\$ 91,917.95	\$ 218.05
Other Salaries for Instruction	16,892.40	9,484.45	26,376.85	26,376.85	
Total Preschool Disabilities - Full-Time	107,355.90	11,156.95	118,512.85	118,294.80	218.05
TOTAL SPECIAL EDUCATION - INSTRUCTION	264,838.99	(5,977.38)	258,861.61	258,643.56	218.05
School-Spon. Cocurricular Actvts. - Inst.					
Salaries		840.00	840.00	840.00	
Supplies & Materials		1,775.00	1,775.00	1,775.00	
Total School-Spon. Cocurricular Actvts. - Inst.	-	2,615.00	2,615.00	2,615.00	-
Total Instruction	1,609,984.00	37,100.90	1,647,084.90	1,584,087.51	62,997.39
Undistributed Expend. - Attend. & Social Work					
Salaries	28,521.16	448.24	28,969.40	28,969.40	
Total Undistributed Expend. - Attend. & Social Work	28,521.16	448.24	28,969.40	28,969.40	-
Undistributed Expenditures - Health Services					
Salaries	43,111.00	(0.60)	43,110.40	43,110.40	
Other Purchased Services (400-500 series)	500.00	(500.00)			
Supplies and Materials	3,000.00	(744.58)	2,255.42	1,407.68	847.74
Total Undistributed Expenditures - Health Services	46,611.00	(1,245.18)	45,365.82	44,518.08	847.74

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: John Fenwick School

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Final to Actual</u>
					<u>Favorable/</u>
					<u>(Unfavorable)</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 58,004.00	\$ 1,550.00	\$ 59,554.00	\$ 39,149.04	\$ 20,404.96
Salaries of Technology Coordinators	35,875.00	(0.28)	35,874.72	35,874.72	
Purchased Professional and Technical Services	1,042.50		1,042.50	1,042.50	
Supplies and Materials	2,157.50	112,957.86	115,115.36	999.87	114,115.49
Total Undist. Expend. - Edu. Media Serv./Sch. Library	97,079.00	114,507.58	211,586.58	77,066.13	134,520.45

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

<u>School: John Fenwick School</u>	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 86,986.00	\$ (0.40)	\$ 86,985.60	\$ 86,985.60	
Salaries of Secretarial and Clerical Assistants	23,402.84	(1,127.04)	22,275.80	22,275.80	
Other Purchased Services (400-500 series)	5,000.00	451.74	5,451.74	4,732.64	\$ 719.10
Supplies and Materials	2,500.00	(586.02)	1,913.98	1,694.23	219.75
Other Objects	2,500.00	(2,500.00)			
Total Undist. Expend. - Support Serv. - School Admin.	<u>120,388.84</u>	<u>(3,761.72)</u>	<u>116,627.12</u>	<u>115,688.27</u>	<u>938.85</u>
Undist. Expend. - Security					
Salaries	25,360.00	1,905.50	27,265.50	27,265.50	
Purchased Professional and Technical Services	4,770.00	(1,290.00)	3,480.00	3,480.00	
General Supplies		579.99	579.99		579.99
Total Undist. Expend. - Security	<u>30,130.00</u>	<u>1,195.49</u>	<u>31,325.49</u>	<u>30,745.50</u>	<u>579.99</u>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	7,500.00	37,500.00	45,000.00	25,251.66	19,748.34
Total Undist. Expend. - Student Transportation Serv.	<u>7,500.00</u>	<u>37,500.00</u>	<u>45,000.00</u>	<u>25,251.66</u>	<u>19,748.34</u>
UNALLOCATED BENEFITS					
Health Benefits	587,006.00	(209,669.69)	377,336.31	292,500.47	84,835.84
Other Employee Benefits	85,196.00	(23,817.71)	61,378.29	61,378.29	
TOTAL UNALLOCATED BENEFITS	<u>672,202.00</u>	<u>(233,487.40)</u>	<u>438,714.60</u>	<u>353,878.76</u>	<u>84,835.84</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>672,202.00</u>	<u>(233,487.40)</u>	<u>438,714.60</u>	<u>353,878.76</u>	<u>84,835.84</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>1,002,432.00</u>	<u>(84,842.99)</u>	<u>917,589.01</u>	<u>676,117.80</u>	<u>241,471.21</u>
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	<u>2,612,416.00</u>	<u>(47,742.09)</u>	<u>2,564,673.91</u>	<u>2,260,205.31</u>	<u>304,468.60</u>
TOTAL SCHOOL BASED EXPENDITURES	<u>2,612,416.00</u>	<u>(47,742.09)</u>	<u>2,564,673.91</u>	<u>2,260,205.31</u>	<u>304,468.60</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

School: John Fenwick School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
Special Revenue Fund		-		-	-
General Fund	\$ 2,608,727.72	\$ (47,742.09)	\$ 2,560,985.63	\$ 2,382,400.73	\$ 178,584.90
Total Other Financing Sources	<u>2,608,727.72</u>	<u>(47,742.09)</u>	<u>2,560,985.63</u>	<u>2,382,400.73</u>	<u>178,584.90</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(3,688.28)	-	(3,688.28)	122,195.42	125,883.70
Fund Balance, July 1	<u>3,688.28</u>	<u>-</u>	<u>3,688.28</u>	<u>3,688.28</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 125,883.70</u>	<u>\$ 125,883.70</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 1,021,542.00	\$ (85,555.81)	\$ 935,986.19	\$ 875,753.19	\$ 60,233.00
Grades 6-8 - Salaries of Teachers	1,144,443.00	(143,102.15)	1,001,340.85	997,852.45	3,488.40
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	39,967.00		39,967.00	39,967.00	
Purchased Technical Services	50,336.01	6,937.41	57,273.42	54,673.42	2,600.00
Other Purchased Services (400-500 series)	5,777.02	7,268.86	13,045.88	11,237.74	1,808.14
General Supplies	57,000.00	50,211.47	107,211.47	105,919.59	1,291.88
Textbooks	53,925.78	46,717.71	100,643.49	31,026.24	69,617.25
Other Objects	7,500.00	(7,201.00)	299.00	299.00	
	<u>2,380,490.81</u>	<u>(124,723.51)</u>	<u>2,255,767.30</u>	<u>2,116,728.63</u>	<u>139,038.67</u>
TOTAL REGULAR PROGRAMS - INSTRUCTION					
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	375,873.00	341.00	376,214.00	342,175.46	34,038.54
Other Salaries for Instruction	22,841.00	(18,884.50)	3,956.50	3,956.50	
General Supplies	750.00	2,370.24	3,120.24	1,374.69	1,745.55
	<u>399,464.00</u>	<u>(16,173.26)</u>	<u>383,290.74</u>	<u>347,506.65</u>	<u>35,784.09</u>
Total Multiple Disabilities					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 132,469.50	\$ 70,125.19	\$ 202,594.69	\$ 202,594.69	
General Supplies	1,000.00	(1,000.00)			
Total Resource Room/Resource Center	<u>133,469.50</u>	<u>69,125.19</u>	<u>202,594.69</u>	<u>202,594.69</u>	<u>-</u>
Preschool Disabilities - Full-Time:					
Salaries of Teacher	<u>5,950.00</u>		<u>5,950.00</u>	<u>5,950.00</u>	
Total Preschool Disabilities - Full-Time	<u>5,950.00</u>	<u>-</u>	<u>5,950.00</u>	<u>5,950.00</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>538,883.50</u>	<u>52,951.93</u>	<u>591,835.43</u>	<u>556,051.34</u>	<u>\$ 35,784.09</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	2,050.00	4,128.10	6,178.10	3,327.30	2,850.80
Other Purchased Services (400-500 series)	2,865.00		2,865.00	2,865.00	
Supplies and Materials		882.53	882.53	51.40	831.13
Total School-Spon. Cocurricular Actvts. - Inst.	<u>4,915.00</u>	<u>5,010.63</u>	<u>9,925.63</u>	<u>6,243.70</u>	<u>3,681.93</u>
School-Spon. Cocurricular Athletics - Inst.					
Supplies and Materials		<u>3,969.60</u>	<u>3,969.60</u>		<u>3,969.60</u>
Total School-Spon. Cocurricular Athletics - Inst.	<u>-</u>	<u>3,969.60</u>	<u>3,969.60</u>	<u>-</u>	<u>3,969.60</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
Alternative Education Program - Inst.					
Salaries of Teachers		\$ 7,988.75	\$ 7,988.75	\$ 7,988.75	
Salaries		35,798.25	35,798.25	35,798.25	
Total Alternative Education Program - Inst.	-	43,787.00	43,787.00	43,787.00	-
Total Instruction	\$ 2,924,289.31	(19,004.35)	2,905,284.96	2,722,810.67	\$ 182,474.29

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 82,183.00	\$ (2,947.73)	\$ 79,235.27	\$ 79,235.27	
Total Undistributed Expend. - Attend. & Social Work	<u>82,183.00</u>	<u>(2,947.73)</u>	<u>79,235.27</u>	<u>79,235.27</u>	<u>-</u>
Undistributed Expenditures - Health Services					
Salaries	59,929.00	(995.00)	58,934.00	58,934.00	
Supplies and Materials	2,000.00	(1,495.88)	504.12	458.18	\$ 45.94
Total Undistributed Expenditures - Health Services	<u>61,929.00</u>	<u>(2,490.88)</u>	<u>59,438.12</u>	<u>59,392.18</u>	<u>45.94</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	123,158.00	(50.00)	123,108.00	117,040.02	6,067.98
Other Salaries	750.00	(750.00)			
Supplies and Materials	2,500.00	(1,642.02)	857.98	857.98	
Other Objects	500.00	(469.02)	30.98	30.98	
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>126,908.00</u>	<u>(2,911.04)</u>	<u>123,996.96</u>	<u>117,928.98</u>	<u>6,067.98</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries of Technology Coordinators	57,849.00	(274.68)	57,574.32	57,574.32	
Purchased Professional and Technical Services	1,042.50		1,042.50	1,042.50	
Supplies and Materials	5,000.00	287,025.60	292,025.60	7,408.00	284,617.60
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>63,891.50</u>	<u>286,750.92</u>	<u>350,642.42</u>	<u>66,024.82</u>	<u>284,617.60</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: Middle School

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 306,158.00	\$ (0.32)	\$ 306,157.68	\$ 299,127.95	\$ 7,029.73
Salaries of Secretarial and Clerical Assistants	48,392.00	1,337.34	49,729.34	49,729.34	
Other Purchased Services (400-500 series)	5,000.00	(392.65)	4,607.35	3,888.25	719.10
Supplies and Materials	18,024.34	(1,355.86)	16,668.48	16,159.45	509.03
Other Objects	5,000.00	3,931.49	8,931.49	8,494.14	437.35
	<u>382,574.34</u>	<u>3,520.00</u>	<u>386,094.34</u>	<u>377,399.13</u>	<u>8,695.21</u>
Total Undist. Expend. - Support Serv. - School Admin.					
Undist. Expend. - Security					
Salaries	81,731.00	12,234.50	93,965.50	81,650.50	12,315.00
Purchased Professional and Technical Services	3,480.00		3,480.00	3,480.00	
General Supplies		579.99	579.99		579.99
	<u>85,211.00</u>	<u>12,814.49</u>	<u>98,025.49</u>	<u>85,130.50</u>	<u>12,894.99</u>
Total Undist. Expend. - Security					
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors		70,000.00	70,000.00	34,565.16	35,434.84
	<u>-</u>	<u>70,000.00</u>	<u>70,000.00</u>	<u>34,565.16</u>	<u>35,434.84</u>
Total Undist. Expend. - Student Transportation Serv.					
UNALLOCATED BENEFITS					
Health Benefits	1,062,724.35	(292,339.84)	770,384.51	696,651.41	73,733.10
Other Employee Benefits	40,000.00	4,103.74	44,103.74	44,103.74	
	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNALLOCATED BENEFITS	<u>1,102,724.35</u>	<u>(288,236.10)</u>	<u>814,488.25</u>	<u>740,755.15</u>	<u>73,733.10</u>
TOTAL UNALLOCATED BENEFITS					

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	\$ 4,829,710.50	\$ 57,495.31	\$ 4,887,205.81	\$ 4,283,241.86	\$ 603,963.95
TOTAL SCHOOL BASED EXPENDITURES	4,829,710.50	57,495.31	4,887,205.81	4,283,241.86	603,963.95
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,780,842.44	57,495.31	4,838,337.75	4,593,766.22	244,571.53
Total Other Financing Sources	4,780,842.44	57,495.31	4,838,337.75	4,593,766.22	244,571.53
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(48,868.06)	-	(48,868.06)	310,524.36	359,392.42
Fund Balance, July 1	48,868.06	-	48,868.06	48,868.06	-
Fund Balance, June 30	\$ -	\$ -	-	\$ 359,392.42	\$ 359,392.42

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,297,200.00	\$ (31,957.39)	\$ 2,265,242.61	\$ 2,265,242.61	
Purchased Prof- Educational Services	1,000.00	(121.05)	878.95	878.95	
Purchased Technical Services	33,596.03	2,739.47	36,335.50	36,335.50	
Other Purchased Services (400-500 series)	39,879.03	4,433.46	44,312.49	44,312.49	
General Supplies	39,500.00	1,714.73	41,214.73	41,214.73	
Textbooks	24,500.00	2,866.63	27,366.63	27,366.63	
Other Objects	500.00	(97.43)	402.57	356.02	\$ 46.55
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,436,175.06</u>	<u>(20,421.58)</u>	<u>2,415,753.48</u>	<u>2,415,706.93</u>	<u>46.55</u>
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	172,442.00		172,442.00	172,442.00	
Other Purchased Services (400-500 series)	500.00	2,032.30	2,532.30	2,532.30	
General Supplies		109.40	109.40	109.40	
Total Multiple Disabilities	<u>172,942.00</u>	<u>2,141.70</u>	<u>175,083.70</u>	<u>175,083.70</u>	<u>-</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 274,683.00	\$ (39,452.17)	\$ 235,230.83	\$ 235,230.83	
General Supplies		1,100.00	1,100.00	1,100.00	
	<u>274,683.00</u>	<u>(38,352.17)</u>	<u>236,330.83</u>	<u>236,330.83</u>	-
Total Resource Room/Resource Center					
	<u>274,683.00</u>	<u>(38,352.17)</u>	<u>236,330.83</u>	<u>236,330.83</u>	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>447,625.00</u>	<u>(36,210.47)</u>	<u>411,414.53</u>	<u>411,414.53</u>	-
Vocational Programs - Local - Instruction					
Salaries of Teachers	403,400.00	(71,825.00)	331,575.00	331,575.00	
General Supplies	2,500.00	(2,500.00)			
	<u>405,900.00</u>	<u>(74,325.00)</u>	<u>331,575.00</u>	<u>331,575.00</u>	-
Total Vocational Programs - Local - Instruction					
	<u>405,900.00</u>	<u>(74,325.00)</u>	<u>331,575.00</u>	<u>331,575.00</u>	-
School-Spon. Cocurricular Activities - Inst.					
Salaries	980.00	20,825.30	21,805.30	21,805.30	
Purchased Services (300-500 series)	3,000.00	(639.04)	2,360.96	2,360.96	
Supplies and Materials	500.00	7,489.13	7,989.13	7,989.13	
Other Objects	1,000.00	26,683.90	27,683.90	27,683.90	
	<u>5,480.00</u>	<u>54,359.29</u>	<u>59,839.29</u>	<u>59,839.29</u>	-
Total School-Spon. Cocurricular Activities. - Inst.					
	<u>5,480.00</u>	<u>54,359.29</u>	<u>59,839.29</u>	<u>59,839.29</u>	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 258,221.00	\$ 3,596.69	\$ 261,817.69	\$ 261,817.69	
Purchased Services (300-500 series)	35,000.00	58,201.96	93,201.96	76,417.00	\$ 16,784.96
Supplies and Materials	35,000.00	83,232.19	118,232.19	80,182.27	38,049.92
Other Objects	23,140.00	20,892.83	44,032.83	44,032.83	
Total School-Spon. Cocurricular Athletics - Inst.	351,361.00	165,923.67	517,284.67	462,449.79	54,834.88
Alternative Education Program - Inst.					
Salaries of Teachers		7,988.75	7,988.75	7,988.75	
Salaries		35,798.25	35,798.25	35,798.25	
Purchased Prof-Technical Services	25,000.00	16,362.80	41,362.80	33,223.05	8,139.75
Total Alternative Education Program - Inst.	25,000.00	60,149.80	85,149.80	77,010.05	8,139.75
Total Instruction	3,671,541.06	149,475.71	3,821,016.77	3,757,995.59	63,021.18
Undistributed Expend. - Attend. & Social Work					
Salaries	38,374.00	(2,334.80)	36,039.20	36,039.20	
Total Undistributed Expend. - Attend. & Social Work	38,374.00	(2,334.80)	36,039.20	36,039.20	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expenditures - Health Services					
Salaries	\$ 90,496.00	\$ (752.50)	\$ 89,743.50	\$ 89,743.50	
Other Purchased Services (400-500 series)	3,422.50	(90.00)	3,332.50	3,332.50	
Supplies and Materials	100.00	208.28	308.28	308.28	
	<u>94,018.50</u>	<u>(634.22)</u>	<u>93,384.28</u>	<u>93,384.28</u>	-
Total Undistributed Expenditures - Health Services					
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	157,233.00	2,835.50	160,068.50	160,068.50	
Salaries of Secretarial and Clerical Assistants	36,608.00	1,481.43	38,089.43	38,089.43	
Other Salaries	700.00	(700.00)			
Other Purchased Prof. and Tech. Services	3,500.00	892.00	4,392.00	4,392.00	
Other Purchased Services (400-500 series)	9,600.00	45.20	9,645.20	9,645.20	
Supplies and Materials	4,077.50	(495.09)	3,582.41	3,582.41	
Other Objects	250.00	(220.82)	29.18	29.18	
	<u>211,968.50</u>	<u>3,838.22</u>	<u>215,806.72</u>	<u>215,806.72</u>	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	10,325.00	(9,205.00)	1,120.00	1,120.00	
Purchased Prof- Educational Services	3,000.00	19,514.00	22,514.00	22,514.00	
	<u>13,325.00</u>	<u>10,309.00</u>	<u>23,634.00</u>	<u>23,634.00</u>	-
Total Undist. Expend. - Improvement of Inst. Serv.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 93,971.00	\$ (1,840.33)	\$ 92,130.67	\$ 92,130.67	
Salaries of Technology Coordinators	63,778.00	(981.36)	62,796.64	62,796.64	
Purchased Professional and Technical Services	6,200.00	(246.95)	5,953.05	5,953.05	
Supplies and Materials	2,500.00	244,080.23	246,580.23	1,816.00	\$ 244,764.23
	<u>166,449.00</u>	<u>241,011.59</u>	<u>407,460.59</u>	<u>162,696.36</u>	<u>244,764.23</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	353,302.00	(0.40)	353,301.60	353,301.60	
Salaries of Secretarial and Clerical Assistants	49,504.00		49,504.00	49,504.00	
Purchased Professional and Technical Services		130.00	130.00		130.00
Other Purchased Services (400-500 series)	9,000.00	(4,475.50)	4,524.50	4,524.50	
Supplies and Materials	5,000.00	3,536.00	8,536.00	8,415.25	120.75
Other Objects	133,858.32	6,667.01	140,525.33	134,164.33	6,361.00
	<u>550,664.32</u>	<u>5,857.11</u>	<u>556,521.43</u>	<u>549,909.68</u>	<u>6,611.75</u>
Total Undist. Expend. - Support Serv. - School Admin.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 52,592.00	\$ 490.33	\$ 53,082.33	\$ 53,082.33	
Purchased Professional and Technical Services	3,500.00	(20.00)	3,480.00	3,480.00	
General Supplies		579.99	579.99		\$ 579.99
	<u>56,092.00</u>	<u>1,050.32</u>	<u>57,142.32</u>	<u>56,562.33</u>	<u>579.99</u>
Total Undist. Expend. - Security					
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors		155,274.42	155,274.42	155,274.42	
		<u>155,274.42</u>	<u>155,274.42</u>	<u>155,274.42</u>	<u>-</u>
Total Undist. Expend. - Student Transportation Serv.					
	<u>-</u>	<u>155,274.42</u>	<u>155,274.42</u>	<u>155,274.42</u>	<u>-</u>
UNALLOCATED BENEFITS					
Health Benefits	978,334.62	(102,808.14)	875,526.48	753,060.15	122,466.33
Other Employee Benefits	34,346.00	631.88	34,977.88	34,977.88	
	<u>1,012,680.62</u>	<u>(102,176.26)</u>	<u>910,504.36</u>	<u>788,038.03</u>	<u>122,466.33</u>
TOTAL UNALLOCATED BENEFITS					
	<u>1,012,680.62</u>	<u>(102,176.26)</u>	<u>910,504.36</u>	<u>788,038.03</u>	<u>122,466.33</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS					
	<u>2,143,571.94</u>	<u>312,195.38</u>	<u>2,455,767.32</u>	<u>2,081,345.02</u>	<u>374,422.30</u>
TOTAL UNDISTRIBUTED EXPENDITURES					
	<u>5,815,113.00</u>	<u>461,671.09</u>	<u>6,276,784.09</u>	<u>5,839,340.61</u>	<u>437,443.48</u>
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE					
	<u>5,815,113.00</u>	<u>461,671.09</u>	<u>6,276,784.09</u>	<u>5,839,340.61</u>	<u>437,443.48</u>
TOTAL SCHOOL BASED EXPENDITURES					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	\$ 5,765,582.12	461,671.09	\$ 6,227,253.21	\$ 6,104,970.96	\$ 122,282.25
Total Other Financing Sources	<u>5,765,582.12</u>	<u>461,671.09</u>	<u>6,227,253.21</u>	<u>6,104,970.96</u>	<u>122,282.25</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(49,530.88)	-	(49,530.88)	265,630.35	315,161.23
Fund Balance, July 1	<u>49,530.88</u>	<u>-</u>	<u>49,530.88</u>	<u>49,530.88</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,161.23</u>	<u>\$ 315,161.23</u>

SPECIAL REVENUE FUND

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

	E.S.S.A.				I.D.E.A. Part B				ARP Homeless II	ARP ESSER NJTSS Mental Health	ARP Mental Health	Total Carried Forward
	Title I Part A	Title I SIA	Title II Part A - Training	Title IV Part A	Basic	ARP Basic	Preschool	ARP Preschool				
REVENUES:												
Federal Sources	\$ 931,502.81	\$ 58,405.42	\$ 76,164.00	\$ 62,306.00	\$ 352,210.00	\$ 70,657.00	\$ 8,035.90	\$ 5,988.00	\$ 46,005.00	\$ 45,000.00	\$ 88,501.00	\$ 1,744,775.13
Total Revenues	931,502.81	58,405.42	76,164.00	62,306.00	352,210.00	70,657.00	8,035.90	5,988.00	46,005.00	45,000.00	88,501.00	1,744,775.13
EXPENDITURES:												
Instruction:												
Salaries	379,255.05	39,765.41										419,020.46
Other Salaries for Instruction							8,035.90					8,035.90
Purchased Services Professional/Educational Services	18,259.00											18,259.00
Other Purchased Services (400-500 series)		831.13										831.13
Tuition					352,210.00							352,210.00
Supplies and Material	25,195.52			13,084.00								38,279.52
Textbooks	27,903.00											27,903.00
Total Instruction	450,612.57	40,596.54	-	13,084.00	352,210.00	-	8,035.90	-	-	-	-	864,539.01
Support Services:												
Salaries	147,809.28	13,717.12										161,526.40
Personal Services - Employee Benefits	180,620.00	4,091.76										184,711.76
Other Purchased Professional and Educational Services	8,683.00		76,164.00	49,222.00		70,657.00		5,988.00		45,000.00	88,501.00	344,215.00
Other Purchased Services (400-500 series)	143,777.96											143,777.96
Other Objects									46,005.00			46,005.00
Total Support Services	480,890.24	17,808.88	76,164.00	49,222.00	-	70,657.00	-	5,988.00	46,005.00	45,000.00	88,501.00	880,236.12
Total Expenditures	931,502.81	58,405.42	76,164.00	62,306.00	352,210.00	70,657.00	8,035.90	5,988.00	46,005.00	45,000.00	88,501.00	1,744,775.13
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1												
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-

(Continued)

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

	Total Brought Forward	CARES Act	Perkins Vocational	CRRSA ESSER II	ARP ESSER III	ARP ESSER Learning Acceleration	Learning Acceleration	School Re-Opening and Remote Learning	Family Friendly Centers	Total Carried Forward
REVENUES:										
Federal Sources	\$ 1,744,775.13	\$ 109,177.78	\$ 14,261.00	\$ 940,387.39	\$ 941,713.85	\$ 40,000.00	\$ 142,560.75	\$ 7,001.88		\$ 3,939,877.78
State Sources									\$ 70,967.78	70,967.78
Total Revenues	1,744,775.13	109,177.78	14,261.00	940,387.39	941,713.85	40,000.00	142,560.75	7,001.88	70,967.78	4,010,845.56
EXPENDITURES:										
Instruction:										
Salaries	419,020.46									419,020.46
Salaries of Teachers									21,971.25	21,971.25
Other Salaries for Instruction	8,035.90									8,035.90
Purchased Services Professional/Educational Services	18,259.00					40,000.00	97,672.75			155,931.75
Tuition	352,210.00									352,210.00
Supplies and Material	38,279.52	85,751.32	13,559.25		38,978.85				19,417.00	195,985.94
Textbooks	27,903.00									27,903.00
Other Objects								7,001.88		7,001.88
Total Instruction	864,539.01	85,751.32	13,559.25	-	38,978.85	40,000.00	97,672.75	7,001.88	41,388.25	1,188,891.31
Support Services:										
Salaries	161,526.40		540.00							162,066.40
Salaries of Principals/Asst. Principals/Program Directors									9,900.00	9,900.00
Salaries of Other Professional Staff									3,080.00	3,080.00
Salaries of Secretarial and Clerical Assistants									2,156.00	2,156.00
Personal Services - Employee Benefits	184,711.76		41.00						2,838.70	187,591.46
Other Purchased Professional and Educational Services	344,215.00				84,712.00		44,888.00			473,815.00
Other Purchased Services (400-500 series)	143,777.96				818,023.00					961,800.96
Supplies and Material			120.75						11,604.83	11,725.58
General Supplies		23,426.46								23,426.46
Other Objects	46,005.00									46,005.00
Total Support Services	880,236.12	23,426.46	701.75	-	902,735.00	-	44,888.00	-	29,579.53	1,881,566.86
Facilities Acquisition/Construction:										
Noninstructional Equipment				940,387.39						940,387.39
Total Facilities Acquisition and Construction Services	-	-	-	940,387.39	-	-	-	-	-	940,387.39
Total Expenditures	1,744,775.13	109,177.78	14,261.00	940,387.39	941,713.85	40,000.00	142,560.75	7,001.88	70,967.78	4,010,845.56
Total Expenditures and Other Financing Sources (Uses)	1,744,775.13	109,177.78	14,261.00	940,387.39	941,713.85	40,000.00	142,560.75	7,001.88	70,967.78	4,010,845.56
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1										
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-

(Continued)

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

	Total Brought Forward	Preschool Education Aid	School Based Youth Services	Wrap Around Services Pre-K	Teen PEP	Safety Grant	Scholarship Fund	Uniform Trust	Student Activity / Athletics Fund	Total
REVENUES:										
Federal Sources	\$ 3,939,877.78									\$ 3,939,877.78
State Sources	70,967.78	\$ 2,054,904.45	\$ 315,210.91	\$ 18,360.00						2,459,443.14
Local Sources					\$ 7,463.50	\$ 7,342.00	\$ 4,478.29		\$ 175,183.18	194,466.97
Total Revenues	4,010,845.56	2,054,904.45	315,210.91	18,360.00	7,463.50	7,342.00	4,478.29	-	175,183.18	6,593,787.89
EXPENDITURES:										
Instruction:										
Salaries	419,020.46									419,020.46
Salaries of Teachers	21,971.25	625,777.52								647,748.77
Other Salaries for Instruction	8,035.90	247,941.28								255,977.18
Purchased Services Professional/Educational Services	155,931.75									155,931.75
Other Purchased Services (400-500 series)	831.13									831.13
Tuition	352,210.00									352,210.00
Supplies and Material	195,985.94									195,985.94
Textbooks	27,903.00									27,903.00
Other Objects	7,001.88									7,001.88
Total Instruction	1,188,891.31	873,718.80	-	-	-	-	-	-	-	2,062,610.11
Support Services:										
Salaries	162,066.40			3,254.00	2,000.00					167,320.40
Salaries of Principals/Asst. Principals/Program Directors	9,900.00	93,153.84		7,022.50						110,076.34
Salaries of Other Professional Staff	3,080.00	141,935.54	172,344.00							317,359.54
Salaries of Secretarial and Clerical Assistants	2,156.00	30,737.85		920.00						33,813.85
Salaries - Other Salaries for Instruction				2,320.50						2,320.50
Salaries - Other		70,391.68								70,391.68
Salaries of Master Teachers		72,784.80								72,784.80
Personal Services - Employee Benefits	187,591.46	558,442.75	45,806.63	1,034.00						792,874.84
Other Purchased Professional and Educational Services	473,815.00									473,815.00
Cleaning, Repair & Maintenance Services		2,500.00								2,500.00
Rentals		3,077.97								3,077.97
Other Purchased Services (400-500 series)	961,800.96									961,800.96
Miscellaneous Purchased Services		85,322.25								85,322.25
Supplies and Material	11,725.58	121,949.97	59,415.57							193,091.12
General Supplies	23,426.46			1,500.00	404.00					25,330.46
Other Objects	46,005.00	889.00	37,644.71	2,309.00	5,059.50					91,907.21
Scholarships Awarded							9,400.00			9,400.00
Students Activities								170,515.33		170,515.33
Total Support Services	1,881,566.86	1,181,185.65	315,210.91	18,360.00	7,463.50	-	9,400.00	-	170,515.33	3,583,702.25
Facilities Acquisition/Construction:										
Buildings						7,342.00				7,342.00
Noninstructional Equipment	940,387.39									940,387.39
Total Facilities Acquisition and Construction Services	940,387.39	-	-	-	-	7,342.00	-	-	-	947,729.39
Total Expenditures	4,010,845.56	2,054,904.45	315,210.91	18,360.00	7,463.50	7,342.00	9,400.00	-	170,515.33	6,594,041.75
Total Expenditures and Other Financing Sources (Uses)	4,010,845.56	2,054,904.45	315,210.91	18,360.00	7,463.50	7,342.00	9,400.00	-	170,515.33	6,423,526.42
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	(4,921.71)	-	4,667.85	170,261.47
Fund Balance, July 1							77,534.22	267.83	47,546.37	125,348.42
Fund Balance, June 30	-	-	-	-	-	-	\$ 72,612.51	\$ 267.83	\$ 52,214.22	\$ 295,609.89

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 902,655.84	\$(143,562.11)	\$ 759,093.73	\$ 625,777.52	\$ 133,316.21
Other Salaries for Instruction	260,600.00	(5,975.00)	254,625.00	247,941.28	6,683.72
Total Instruction	1,163,255.84	(149,537.11)	1,013,718.73	873,718.80	139,999.93
Support Services:					
Salaries of Principals/Asst. Principals/Program Directors	93,154.00		93,154.00	93,153.84	0.16
Salaries of Other Professional Staff	147,293.16		147,293.16	141,935.54	5,357.62
Salaries of Secretarial and Clerical Assistants	30,842.00	(25.00)	30,817.00	30,737.85	79.15
Salaries - Other	71,565.00		71,565.00	70,391.68	1,173.32
Sal. of Facilitators, Math, Literacy, and Master Teacher	72,785.00		72,785.00	72,784.80	0.20
Personal Services - Employee Benefits	687,822.00	101,360.71	789,182.71	558,442.75	230,739.96
Cleaning, Repair & Maintenance Services	2,500.00		2,500.00	2,500.00	
Rentals	920.85	3,201.40	4,122.25	3,077.97	1,044.28
Miscellaneous Purchased Services	80,675.25	4,800.00	85,475.25	85,322.25	153.00
Supplies and Material	86,875.90	39,311.00	126,186.90	121,949.97	4,236.93
Other Objects		889.00	889.00	889.00	
Total Support Services	1,274,433.16	149,537.11	1,423,970.27	1,181,185.65	242,784.62
Total Expenditures	\$ 2,437,689.00	-	\$ 2,437,689.00	\$ 2,054,904.45	\$ 382,784.55
Calculation of Budget and Carryover					
Total 2021-2022 Preschool Education Aid Allocation				\$ 2,385,900.00	
Add: Actual Preschool Education Aid Carryover June 30, 2021				240,980.26	
Total Preschool Education Aid Funds Available for 2021-22 Budget				2,626,880.26	
Less: 2021-22 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)				2,437,689.00	
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022				189,191.26	
Add: June 30, 2022 Unexpended Preschool Education Aid				382,784.55	
2021-22 Carryover - Preschool Education Aid/Preschool				\$ 571,975.81	
2021-22 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-23				-	

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr and 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 902,655.84	\$ (143,562.11)	\$ 759,093.73	\$ 625,777.52	\$ 133,316.21
Other Salaries for Instruction	260,600.00	(5,975.00)	254,625.00	247,941.28	6,683.72
Total Instruction	1,163,255.84	(149,537.11)	1,013,718.73	873,718.80	139,999.93
Support Services:					
Salaries of Principals/Asst. Principals/Program Directors	93,154.00		93,154.00	93,153.84	0.16
Salaries of Other Professional Staff	147,293.16		147,293.16	141,935.54	5,357.62
Salaries of Secretarial and Clerical Assistants	30,842.00	(25.00)	30,817.00	30,737.85	79.15
Salaries - Other	71,565.00		71,565.00	70,391.68	1,173.32
Sal. of Facilitators, Math, Literacy, and Master Teacher	72,785.00		72,785.00	72,784.80	0.20
Personal Services - Employee Benefits	687,822.00	101,360.71	789,182.71	558,442.75	230,739.96
Cleaning, Repair & Maintenance Services	2,500.00		2,500.00	2,500.00	
Rentals	920.85	3,201.40	4,122.25	3,077.97	1,044.28
Miscellaneous Purchased Services	80,675.25	4,800.00	85,475.25	85,322.25	153.00
Supplies and Material	86,875.90	39,311.00	126,186.90	121,949.97	4,236.93
Other Objects		889.00	889.00	889.00	
Total Support Services	1,274,433.16	149,537.11	1,423,970.27	1,181,185.65	242,784.62
Total Expenditures	\$ 2,437,689.00	-	\$ 2,437,689.00	\$ 2,054,904.45	\$ 382,784.55

PROPRIETARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 49,797.28
Interfund Accounts Receivable:	
Due from General Fund	199,581.23
Accounts Receivable:	
State	1,036.77
Federal	96,110.76
Other	1,126.91
Inventories	15,786.67
Total Current Assets	363,439.62
Noncurrent Assets:	
Equipment	409,741.41
Less Accumulated Depreciation	(226,060.56)
Total Noncurrent Assets	183,680.85
Total Assets	547,120.47
LIABILITIES:	
Current Liabilities:	
Accounts Payable	66,849.15
NET POSITION:	
Net Investment in Capital Assets	183,680.85
Unrestricted	296,590.47
Total Net Position	\$ 480,271.32

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 16,307.36
Special Functions and Miscellaneous	20,557.19
	36,864.55
OPERATING EXPENSES:	
Purchased Professional/Technical Services	579,069.99
Cleaning/Repair/Maintenance	9,537.48
Other Purchased Services	153,371.90
General Supplies	34,012.70
Depreciation	12,999.99
Cost of Sales - Reimbursable Programs	711,981.85
Cost of Sales - Non-Reimbursable Programs	19,533.51
Miscellaneous	4,593.33
	1,525,100.75
Total Operating Expenses	1,525,100.75
Operating Income (Loss)	(1,488,236.20)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
School Lunch Program	18,185.08
Federal Sources:	
National Snack Program	7,094.00
SSO Federal Lunch	794,865.10
SSO Federal Breakfast	364,571.84
Fresh Fruits & Vegetables	46,509.30
Food Distribution Program	104,466.94
Supply Chain Assistance Award - COVID-19	28,089.74
P-EBT Administrative Cost Reimbursement	3,135.00
Interest and Investment Revenue	85.48
	1,367,002.48
Total Nonoperating Revenues (Expenses)	1,367,002.48
Change in Net Position	(121,233.72)
Net Position -- July 1	601,505.04
Net Position -- June 30	\$ 480,271.32

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 36,864.55
Payments for Purchased Services	(741,979.37)
Payments to Suppliers	<u>(914,611.79)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,619,726.61)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	17,148.31
Federal Sources	1,195,254.29
Operating Subsidies and Transfers to Other Funds	<u>412,587.83</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,624,990.43</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Investment Revenue	<u>85.48</u>
Net Cash Provided by (Used for) Investing Activities	<u>85.48</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,349.30
Cash and Cash Equivalents -- July 1	<u>44,447.98</u>
Cash and Cash Equivalents -- June 30	<u>\$ 49,797.28</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ (1,488,236.20)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Food Distribution Program	104,466.94
Depreciation and Net Amortization	12,999.99
(Increase) Decrease in Inventories	(666.27)
Increase (Decrease) in Accounts Payable	<u>(248,291.07)</u>
Total Adjustments	<u>(131,490.41)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,619,726.61)</u>

LONG-TERM DEBT

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds, Series 2008	08/20/08	\$ 3,670,000.00	02/15/23	\$ 250,000.00	4.250%	\$ 735,000.00	\$ 245,000.00	\$ 490,000.00
			02/15/24	240,000.00	4.500%			
						\$ 735,000.00	\$ 245,000.00	\$ 490,000.00
						\$ 735,000.00	\$ 245,000.00	\$ 490,000.00

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 95,322.00		\$ 95,322.00	\$ 95,322.00	
Total Local Sources	95,322.00	-	95,322.00	95,322.00	-
State Sources:					
Debt Service Aid Type II	181,516.00		181,516.00	181,516.00	
Total State Sources	181,516.00	-	181,516.00	181,516.00	-
Total Revenues	276,838.00	-	276,838.00	276,838.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	31,838.00		31,838.00	31,838.00	
Redemption of Principal	245,000.00		245,000.00	245,000.00	
Total Expenditures	276,838.00	-	276,838.00	276,838.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	2.94	-	2.94	2.94	-
Fund Balance, June 30	\$ 2.94	-	\$ 2.94	\$ 2.94	-

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities	(b)									
Net Investment in Capital Assets	\$ 9,809,106.74	\$ 9,145,617.63	\$ 9,479,197.30	\$ 9,719,908.49	\$ 8,779,735.58	\$ 7,579,301.15	\$ 8,530,136.31	\$ 7,792,923.73	\$ 7,376,169.84	\$ 6,365,180.46
Restricted	1,407,097.50	207,351.36	207,002.70	210,369.49	1,137,828.68	1,849,960.73	1,217,528.21	792,710.31	532,252.99	1,814,016.06
Unrestricted (Deficit)	(6,301,273.82)	(8,485,219.17)	(9,758,708.73)	(10,524,346.30)	(9,760,199.94)	(9,342,071.32)	(7,897,218.15)	(839,958.48)	(1,023,041.02)	(1,093,119.65)
Total Governmental Activities Net Position	\$ 4,914,930.42	\$ 867,749.82	\$ (72,508.73)	\$ (594,068.32)	\$ 157,364.32	\$ 87,190.56	\$ 1,850,446.37	\$ 7,745,675.56	\$ 6,885,381.81	\$ 7,086,076.87
Business-Type Activities	(a)									
Net Investment in Capital Assets	\$ 183,680.85	\$ 196,680.84	\$ 209,680.83	\$ 43,524.75	\$ 66,076.04	\$ 74,896.19	\$ 92,002.82	\$ 108,283.72	\$ 97,351.29	\$ 112,546.92
Unrestricted (Deficit)	296,590.47	404,824.20	261,172.14	470,177.49	381,835.08	449,195.08	230,508.81	157,784.73	147,594.47	150,411.64
Total Business-Type Activities Net Position	\$ 480,271.32	\$ 601,505.04	\$ 470,852.97	\$ 513,702.24	\$ 447,911.12	\$ 524,091.27	\$ 322,511.63	\$ 266,068.45	\$ 244,945.76	\$ 262,958.56
Government-Wide	(a)									
Net Investment in Capital Assets	\$ 9,992,787.59	\$ 9,342,298.47	\$ 9,688,878.13	\$ 9,763,433.24	\$ 8,845,811.62	\$ 7,654,197.34	\$ 8,622,139.13	\$ 7,901,207.45	\$ 7,473,521.13	\$ 6,477,727.38
Restricted	1,407,097.50	207,351.36	207,002.70	210,369.49	1,137,828.68	1,849,960.73	1,217,528.21	792,710.31	532,252.99	1,814,016.06
Unrestricted (Deficit)	(6,004,683.35)	(8,080,394.97)	(9,497,536.59)	(10,054,168.81)	(9,378,364.86)	(8,892,876.24)	(7,666,709.34)	(682,173.75)	(875,446.55)	(942,708.01)
Total Government-Wide Net Position (Deficit)	\$ 5,395,201.74	\$ 1,469,254.86	\$ 398,344.24	\$ (80,366.08)	\$ 605,275.44	\$ 611,281.83	\$ 2,172,958.00	\$ 8,011,744.01	\$ 7,130,327.57	\$ 7,349,035.43

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

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2022	2021 (b)	2020	2019	2018	2017	2016	2015 (a)	2014	2013
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ 8,658,918.89	\$ 9,420,361.87	\$ 8,651,072.60	\$ 7,797,885.36	\$ 7,852,589.83	\$ 7,996,953.61	\$ 7,844,400.41	\$ 7,779,874.47	\$ 8,190,283.78	\$ 8,113,641.04
Special Education	1,252,171.93	1,222,282.68	1,337,236.41	1,402,857.13	1,368,094.73	1,497,116.62	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99
Other Special Education								43,409.32	42,528.00	
Vocational	331,575.00	388,719.96	406,450.13	388,398.47	356,824.83	319,925.06	312,490.08	313,132.46	319,057.44	379,765.76
Other Instruction	651,944.83	474,500.26	604,624.99	705,836.02	769,583.92	642,719.39	516,967.49	559,597.71	569,677.40	507,181.82
Support Services:										
Tuition	1,824,215.24	1,970,389.32	2,159,187.27	2,111,137.66	2,259,357.56	1,899,484.65	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85
Student & Instruction Related Services	5,129,847.02	4,998,678.44	4,283,997.11	4,199,503.70	4,110,241.13	4,279,219.50	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14
School Administrative Services	1,138,948.98	1,348,234.71	1,041,295.35	1,075,367.93	1,024,488.26	927,632.08	894,600.73	847,193.71	891,522.09	948,154.08
General & Business Administrative Services	953,323.85	1,325,757.07	906,428.03	947,249.54	1,083,590.64	904,422.94	858,186.43	775,548.46	794,560.83	749,358.19
Plant Operations and Maintenance	2,227,683.74	1,632,758.38	1,711,139.14	1,844,616.38	1,911,500.55	1,866,364.99	2,234,247.71	2,395,325.22	2,382,235.26	2,292,826.72
General Unallocated Depreciation	36,883.74	36,883.74	36,883.74	797,978.42	749,356.41	831,754.09	769,394.01	739,275.52	655,929.35	583,140.48
Pupil Transportation	803,449.22	580,276.36	842,184.90	1,031,652.00	918,835.88	713,038.78	758,956.62	779,764.20	554,695.40	558,027.05
Interest on Long-term Debt	25,993.40	35,599.46	45,029.24	54,307.21	64,891.91	74,901.06	96,021.62	114,031.76	124,530.76	132,611.28
Unallocated Benefits	9,451,680.20	11,178,167.91	11,424,674.16	9,657,039.38	12,905,613.28	9,475,533.95	8,405,002.64	5,497,323.19	5,965,616.95	5,124,360.98
Amortization of Debt Issuance Costs										9,430.56
Total Governmental Activities Expenses	32,486,636.04	34,612,610.16	33,450,203.07	32,013,829.20	35,374,968.93	31,429,066.72	30,243,623.71	27,255,825.07	27,154,172.20	26,304,750.94
Business-type Activities:										
Food Service	1,525,100.75	765,140.05	969,634.04	1,088,570.19	1,260,730.24	1,059,761.95	1,080,294.12	994,423.84	988,376.37	971,284.21
Total Business-type Activities Expense	1,525,100.75	765,140.05	969,634.04	1,088,570.19	1,260,730.24	1,059,761.95	1,080,294.12	994,423.84	988,376.37	971,284.21
Total District Expenses	\$ 34,011,736.79	\$ 35,377,750.21	\$ 34,419,837.11	\$ 33,102,399.39	\$ 36,635,699.17	\$ 32,488,828.67	\$ 31,323,917.83	\$ 28,250,248.91	\$ 28,142,548.57	\$ 27,276,035.15
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,758,897.00	\$ 1,866,799.00	\$ 2,259,502.51	\$ 1,427,327.80	\$ 1,543,955.19	\$ 2,190,965.17	\$ 1,591,578.52	\$ 2,181,600.50	\$ 1,924,860.66	\$ 2,587,043.08
Operating Grants and Contributions	16,142,146.63	15,979,208.16	14,219,127.60	12,437,766.54	14,432,416.64	9,892,403.39	9,423,585.68	5,997,565.55	6,104,717.22	5,658,776.87
Total Governmental Activities Program Revenues	17,901,043.63	17,846,007.16	16,478,630.11	13,865,094.34	15,976,371.83	12,083,368.56	11,015,164.20	8,179,166.05	8,029,577.88	8,245,819.95
Business-type activities:										
Charges for Services:										
Food Service	36,864.55	28,015.76	75,105.46	105,027.90	100,395.05	111,225.33	202,129.98	249,149.56	255,521.32	259,200.56
Operating Grants and Contributions	1,366,917.00	867,727.11	851,483.66	1,049,038.12	1,083,613.85	1,065,391.29	934,069.12	765,974.43	714,427.50	720,642.75
Total Business-type Activities Program Revenues	1,403,781.55	895,742.87	926,589.12	1,154,066.02	1,184,008.90	1,176,616.62	1,136,199.10	1,015,123.99	969,948.82	979,843.31
Total District Program Revenues	\$ 19,304,825.18	\$ 18,741,750.03	\$ 17,405,219.23	\$ 15,019,160.36	\$ 17,160,380.73	\$ 13,259,985.18	\$ 12,151,363.30	\$ 9,194,290.04	\$ 8,999,526.70	\$ 9,225,663.26
Net (Expense)/Revenue										
Governmental Activities	\$ (14,585,592.41)	\$ (16,766,603.00)	\$ (16,971,572.96)	\$ (18,148,734.86)	\$ (19,398,597.10)	\$ (19,345,698.16)	\$ (19,228,459.51)	\$ (19,076,659.02)	\$ (19,124,594.32)	\$ (18,058,930.99)
Business-type Activities	(121,319.20)	130,602.82	(43,044.92)	65,495.83	(76,721.34)	116,854.67	55,904.98	20,700.15	(18,427.55)	8,559.10
Total District-wide Net Expense	\$ (14,706,911.61)	\$ (16,636,000.18)	\$ (17,014,617.88)	\$ (18,083,239.03)	\$ (19,475,318.44)	\$ (19,228,843.49)	\$ (19,172,554.53)	\$ (19,055,958.87)	\$ (19,143,021.87)	\$ (18,050,371.89)

(continued)

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

	Fiscal Year Ending June 30,									
	2022	2021 (b)	2020	2019	2018	2017	2016	2015 (a)	2014	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,538,749.04	\$ 2,488,970.04	\$ 2,440,167.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00
Taxes Levied for Debt Service	95,322.00	98,802.00	103,967.00	105,620.00	109,838.00	111,421.00	115,984.00	119,943.00	119,909.00	123,446.00
Federal and State Aid not Restricted	15,995,420.62	14,931,098.63	15,024,779.98	14,882,052.90	16,921,143.65	15,664,837.13	17,486,250.20	17,402,959.62	16,383,157.56	17,194,441.41
Federal and State Aid Restricted									(7,853.49)	(23,010.83)
Miscellaneous Income	3,281.35	47,349.96	57,954.59	17,308.32	45,468.21	23,187.61	17,525.12	14,519.41	28,552.32	56,618.86
Amortization of Premium Received on Sale of Bonds								7,209.74	7,812.87	8,238.56
Cancellation of Prior Year Receivable			(133,736.02)							
Loss on Disposal of Asset						(5,350.02)				
Total Governmental Activities	18,632,773.01	17,566,220.63	17,493,132.55	17,397,302.22	19,468,770.86	18,186,416.72	20,012,080.32	19,936,952.77	18,923,899.26	19,752,055.00
Business-type Activities:										
Interest and Investment Revenue	85.48	49.25	195.65	295.29	541.19	483.07	538.20	422.54	414.75	878.84
Total Business-type Activities	85.48	49.25	195.65	295.29	541.19	483.07	538.20	422.54	414.75	878.84
Total Government-wide	\$ 18,632,858.49	\$ 17,566,269.88	\$ 17,493,328.20	\$ 17,397,597.51	\$ 19,469,312.05	\$ 18,186,899.79	\$ 20,012,618.52	\$ 19,937,375.31	\$ 18,924,314.01	\$ 19,752,933.84
Change in Net Position										
Governmental Activities	\$ 4,047,180.60	\$ 799,617.63	\$ 521,559.59	\$ (751,432.64)	\$ 70,173.76	\$ (1,159,281.44)	\$ 783,620.81	\$ 860,293.75	\$ (200,695.06)	\$ 1,693,124.01
Business-type Activities	(121,233.72)	130,652.07	(42,849.27)	65,791.12	(76,180.15)	117,337.74	56,443.18	21,122.69	(18,012.80)	9,437.94
Total District	\$ 3,925,946.88	\$ 930,269.70	\$ 478,710.32	\$ (685,641.52)	\$ (6,006.39)	\$ (1,041,943.70)	\$ 840,063.99	\$ 881,416.44	\$ (218,707.86)	\$ 1,702,561.95

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	<u>2022</u>	<u>2021</u> (a)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Restricted	\$ 1,282,000.00	\$ 82,000.00	\$ 207,000.00	\$ 207,000.00	\$ 1,137,826.46	\$ 1,849,958.75	\$ 851,244.01	\$ 561,551.90	\$ 237,222.39	\$ 155,489.20
Assigned	1,467,845.73	944,494.63	1,099,990.53	746,349.39	975,812.23	653,353.53	1,310,564.75	1,509,398.42	1,452,459.46	2,698,764.65
Unassigned (Deficit)	(383,453.82)	(829,354.30)	(1,893,628.05)	(2,179,235.95)	(1,229,190.91)	(986,013.29)	(995,214.93)	(1,040,961.66)	(1,106,648.97)	(1,073,394.99)
Total General Fund	\$ 2,366,391.91	\$ 197,140.33	\$ (586,637.52)	\$(1,225,886.56)	\$ 884,447.78	\$ 1,517,298.99	\$ 1,166,593.83	\$ 1,029,988.66	\$ 583,032.88	\$ 1,780,858.86
All Other Governmental Funds										
Restricted	\$ 125,097.50	\$ 125,351.36	\$ 2.70	\$ 3,369.49	\$ 2.22	\$ 1.98	\$ 1.50	\$ 1.26	\$ 1.02	\$ 0.78
Assigned										7,853.49
Unassigned (Deficit)	(238,590.00)	(234,630.00)	(226,860.90)	(221,672.00)	(218,388.00)	(218,388.00)	(219,618.00)	(215,892.00)	(184,337.00)	(180,053.00)
Total All Other Governmental Funds	\$ (113,492.50)	\$ (109,278.64)	\$ (226,858.20)	\$ (218,302.51)	\$ (218,385.78)	\$ (218,386.02)	\$ (219,616.50)	\$ (215,890.74)	\$ (184,335.98)	\$ (172,198.73)

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Tax Levy	\$ 2,634,071.04	\$ 2,587,772.04	\$ 2,544,134.00	\$ 2,497,941.00	\$ 2,502,159.00	\$ 2,503,742.00	\$ 2,508,305.00	\$ 2,512,264.00	\$ 2,512,230.00	\$ 2,515,767.00
Tuition Charges	1,758,897.00	1,866,799.00	2,259,502.51	1,427,327.80	1,543,955.19	2,190,965.17	1,591,578.52	2,181,600.50	1,924,860.66	2,579,740.58
Miscellaneous	3,281.35	47,349.96	57,954.59	17,308.32	45,468.21	23,187.61	17,525.12	14,519.41	28,552.32	63,921.36
Local Sources	26,745,910.21	24,568,661.13	23,353,558.64	23,022,519.75	24,085,734.04	17,721.23	14,468.54	17,847.71	2,000.00	12,529.00
State Sources	3,295,431.07	3,039,498.52	1,472,980.56	1,553,964.43	1,459,073.78	22,100,838.43	22,809,234.23	21,925,543.85	20,966,847.51	20,700,708.77
Federal Sources	194,466.97	153,907.14	58,152.38	17,285.26	18,927.47	1,477,139.86	1,607,360.11	1,457,133.61	1,519,027.27	2,139,980.51
Total Revenue	34,632,057.64	32,263,987.79	29,746,282.68	28,536,346.56	29,655,317.69	28,313,594.30	28,548,471.52	28,108,909.08	26,953,517.76	28,012,647.22
Expenditures										
Instruction										
Regular Instruction	7,804,957.05	8,641,968.46	7,888,876.01	7,758,764.15	7,827,280.23	7,979,872.74	7,832,368.97	7,750,373.88	8,141,996.46	8,065,550.91
Special Education Instruction	1,252,171.93	1,222,282.68	1,337,236.41	1,402,857.13	1,368,094.73	1,497,116.62	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99
Other Special Instruction								43,409.32	42,528.00	
Vocational Education	331,575.00	388,719.96	406,450.13	388,398.47	356,824.83	319,925.06	312,490.08	313,132.46	319,057.44	379,765.76
Other Instruction	651,944.83	474,500.26	604,624.99	705,836.02	769,583.92	642,719.39	516,967.49	559,597.71	569,677.40	507,181.82
Support Services:										
Tuition	1,824,215.24	1,970,389.32	2,159,187.27	2,111,137.66	2,259,357.56	1,899,484.65	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85
Student & Instruction Related Services	5,129,847.02	4,998,678.44	4,283,997.11	4,199,503.70	4,110,241.13	4,279,219.50	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14
School Administrative Services	1,138,948.98	1,348,234.71	1,041,295.35	1,075,367.93	1,024,488.26	927,632.08	894,600.73	847,193.71	891,522.09	948,154.08
Other Administrative Services	947,681.95	1,320,115.17	900,786.13	941,401.72	1,002,982.83	891,256.93	845,071.30	761,355.07	780,005.11	734,114.93
Plant Operations and Maintenance	2,217,280.59	1,622,355.23	1,700,735.99	1,828,128.49	1,891,601.83	1,842,120.67	2,205,485.79	2,365,934.09	2,352,093.42	2,268,610.60
Pupil Transportation	803,449.22	580,276.36	842,184.90	1,031,652.00	918,835.88	713,038.78	758,956.62	779,764.20	554,695.40	558,027.05
Unallocated Benefits	8,764,669.97	8,398,619.72	7,193,285.59	7,345,959.90	6,641,532.58	6,590,745.79	5,828,935.32	5,513,939.29	6,002,694.88	5,467,370.55
Capital Outlay	1,323,440.14	250,187.23	321,249.67	1,550,846.70	1,798,351.12	244,468.72	1,330,516.08	999,115.52	1,489,578.60	469,599.33
Debt Service:										
Principal	245,000.00	245,000.00	250,000.00	245,000.00	245,000.00	240,000.00	230,000.00	230,000.00	220,000.00	215,000.00
Interest and Other Charges	31,838.00	41,943.76	51,943.76	61,743.76	73,993.76	83,593.76	106,843.76	118,343.76	128,243.76	135,231.00
Total Expenditures	32,467,019.92	31,503,271.30	28,981,853.31	30,646,597.63	30,288,168.66	28,151,194.69	28,415,592.11	27,693,508.06	28,155,627.50	26,654,859.01
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,165,037.72	760,716.49	764,429.37	(2,110,251.07)	(632,850.97)	162,399.61	132,879.41	415,401.02	(1,202,109.74)	1,357,788.21
Other Financing Sources (Uses)										
Cancellation on Prior Year Receivable			(133,736.02)							
Cancellation of State Aid									(7,853.49)	(23,010.83)
Total Other Financing Sources (Uses)	-	-	(133,736.02)	-	-	-	-	-	(7,853.49)	(23,010.83)
Net Change in Fund Balances	\$ 2,165,037.72	\$ 760,716.49	\$ 630,693.35	\$ (2,110,251.07)	\$ (632,850.97)	\$ 162,399.61	\$ 132,879.41	\$ 415,401.02	\$ (1,209,963.23)	\$ 1,334,777.38
Debt Service as a Percentage of Noncapital Expenditures	0.9%	0.9%	1.1%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.3%

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Refunds of Prior Year Expenses		\$ 8,951.44	\$ 11,947.10		\$ 13,854.18	\$ 11,586.69	\$ 3,861.90	\$ 3,715.66	\$ 4,442.78	\$ 7,606.37
Cancellation of Prior Years' Payables					16,005.53	31,049.32			490.50	4,274.31
Cancellation of Prior Years' Outstanding Checks							412.00			
Donations										50.00
Rentals			800.00	\$ 625.00		1,360.00	2,375.00	3,970.00	2,975.00	3,295.00
Sale of Equipment			3,477.57							
Interest on Investments	\$ 2,914.20	2,068.71	1,932.38	2,418.50	3,382.89	3,713.80	5,650.58	5,741.67	4,883.91	5,574.02
Miscellaneous	367.15	36,329.81	39,797.54	14,264.82	12,225.61	(24,522.20)	48,950.19	4,097.79	1,726.22	7,752.62
	<u>\$ 3,281.35</u>	<u>\$ 47,349.96</u>	<u>\$ 57,954.59</u>	<u>\$ 17,308.32</u>	<u>\$ 45,468.21</u>	<u>\$ 23,187.61</u>	<u>\$ 61,249.67</u>	<u>\$ 17,525.12</u>	<u>\$ 14,518.41</u>	<u>\$ 28,552.32</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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

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

Year Ended	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2022	\$ 2,742,200	\$ 68,850,080	\$ 153,500	\$ 112,800	\$ 29,019,470	\$ 16,318,800	\$ 4,381,900	\$ 121,578,750	\$ 1,984,304	\$ 123,563,054	\$ 68,292,300	\$ 138,147,898	\$ 2.158
2021	2,291,400	68,503,020	153,500	122,600	30,784,270	12,912,500	5,716,800	120,484,090	2,597,646	123,081,736	68,718,100	138,147,898	2.127
2020	2,275,500	68,430,720	153,500	126,500	33,031,200	12,912,500	5,887,400	122,817,320	2,298,168	125,115,488	68,583,200	141,460,835	2.055
2019	2,726,800	69,396,520	153,500	116,400	30,456,900	12,912,500	5,887,400	121,650,020	2,138,816	123,788,836	70,769,501	143,452,147	2.042
2018	2,726,200	69,566,940	153,500	116,400	30,779,600	12,912,500	5,945,900	122,201,040	2,181,563	124,382,603	70,690,600	137,337,997	2.007
2017	2,585,600	69,479,900	153,500	116,400	29,729,900	13,644,800	5,945,900	121,656,000	2,300,510	123,956,510	72,170,100	138,281,915	2.006
2016	5,272,300	142,121,500	346,900	151,100	36,575,100	22,642,396	6,181,900	213,291,196	2,276,638	215,567,834	96,357,341	148,802,571	1.148
2015	6,617,200	146,713,500	406,500	151,100	40,344,400	21,392,396	6,181,900	221,806,996	2,155,317	223,962,313	93,375,241	182,708,281	1.111
2014	6,662,100	149,017,800	406,500	151,100	43,754,600	22,891,396	6,181,900	229,065,396	2,159,934	231,225,330	92,998,641	220,204,853	1.078
2013	5,207,300	149,992,100	406,500	167,700	44,342,843	22,891,396	6,181,900	229,189,739	2,142,019	231,331,758	93,141,441	223,829,116	1.079

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

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

Source: Municipal Tax Assessor

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

Year Ended Dec. 31,	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	City of Salem	County of Salem	
2022	\$ 2.081	\$ 0.077	\$ 2.158	\$ 3.873	\$ 1.486	\$ 7.517
2021	2.047	0.080	2.127	3.774	1.357	7.258
2020	1.972	0.083	2.055	3.688	1.369	7.112
2019	1.956	0.086	2.042	3.631	1.396	7.069
2018	1.919	0.088	2.007	3.602	1.304	6.913
2017	1.917	0.089	2.006	3.583	1.241	6.830
2016	1.096	0.052	1.148	2.028	0.740	3.916
2015	1.061	0.050	1.111	1.947	0.808	3.866
2014	1.027	0.051	1.078	1.851	0.917	3.846
2013	1.027	0.052	1.079	1.812	0.932	3.823

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2022			2013		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Pallasite REO 2018-1 LLC	\$ 5,884,000	1	4.8%			
55 Griffith LLC	4,977,200	2	4.0%			
United Way of Salem County, Inc.	3,745,200	3	3.0%			
PSEG Power, LLC	3,445,000	4	2.8%			
Aluchem, Inc.	2,060,000	5	1.7%			
Verizon	1,984,304	6	1.6%	Information Not Available		
Tilbury Road Associates, Inc.	1,796,200	7	1.5%			
Salem Chestnut Apartments	1,625,000	8	1.3%			
49 Broadway Partners	1,456,800	9	1.2%			
Sterigenics Corporation	1,366,700	10	1.1%			
Total	\$ 28,340,404		22.94%	-		0.00%

Sources: Tax Assessor's Records

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

Collected within the Fiscal Year of the Levy (1)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	<u>Collections in</u> <u>Subsequent Years</u>
2022	\$ 2,634,071.04	\$ 2,634,071.04	100.00%	-
2021	2,617,781.00	2,617,781.00	100.00%	-
2020	2,571,489.00	2,571,489.00	100.00%	-
2019	2,528,761.00	2,528,761.00	100.00%	-
2018	2,502,159.00	2,502,159.00	100.00%	-
2017	2,502,159.00	2,049,311.22	81.90%	\$ 452,847.78
2016	2,503,742.00	1,905,661.68	76.11%	598,080.32
2015	2,506,068.00	1,907,987.72	76.13%	598,080.28
2014	2,508,305.00	2,109,585.04	84.10%	398,719.96
2013	2,512,264.00	2,312,903.92	92.06%	199,360.08

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2022	\$ 490,000.00	-	-	-	-	\$ 490,000.00	Unavailable	Unavailable	
2021	735,000.00	-	-	-	-	735,000.00	Unavailable	Unavailable	
2020	980,000.00	-	-	-	-	980,000.00	0.38%	\$ 207.94	
2019	1,230,000.00	-	-	-	-	1,230,000.00	0.52%	261.54	
2018	1,475,000.00	-	-	-	-	1,475,000.00	0.65%	309.61	
2017	1,720,000.00	-	-	-	-	1,720,000.00	0.78%	359.08	
2016	1,960,000.00	-	-	-	-	1,960,000.00	0.90%	406.89	
2015	2,195,000.00	-	-	-	-	2,195,000.00	1.01%	451.00	
2014	2,425,000.00	-	-	-	-	2,425,000.00	1.16%	491.79	
2013	2,655,000.00	-	-	-	-	2,655,000.00	1.28%	533.13	

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

Sources: (1) District Records

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2022	\$ 490,000.00	-	\$ 490,000.00	0.40%	Unavailable
2021	735,000.00	-	735,000.00	0.59%	\$ 138.76
2020	980,000.00	-	980,000.00	0.79%	207.94
2019	1,230,000.00	-	1,230,000.00	0.99%	261.54
2018	1,475,000.00	-	1,475,000.00	1.19%	309.61
2017	1,720,000.00	-	1,720,000.00	0.80%	359.08
2016	1,960,000.00	-	1,960,000.00	0.88%	406.89
2015	2,195,000.00	-	2,195,000.00	0.95%	451.00
2014	2,425,000.00	-	2,425,000.00	1.05%	491.79
2013	2,655,000.00	-	2,655,000.00	1.13%	533.13

Sources:

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

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

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (2)</u>
Municipal Debt: (1)				
Salem City School District	\$ 735,000.00	\$ 735,000.00	-	-
City of Salem	26,963,512.53	25,583,000.16	\$ 1,380,512.37	\$ 1,380,512.37
Overlapping Debt Apportioned to Municipality:				
County of Salem - City's Share	81,770,000.00	5,200,886.00	76,569,114.00	2,034,722.00
Salem County Improvement Authority	13,180,395.00	13,180,395.00	-	-
Total Direct and Overlapping Debt				<u><u>\$ 3,415,234.37</u></u>

Sources:

- (1) 2021 Annual Debt Statement / Audit Report
- (2) Such debt is allocated as a proportion of the City's share of the total 2021 Equalized Value, which is 2.657%.
 The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.
 Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis (1)

2021	\$	145,635,308
2020		134,182,585
2019		<u>133,946,289</u>

[A] \$ 413,764,182

Average equalized valuation of taxable property [A/3] \$ 137,921,394

Debt limit (4 % of average equalization value) (2) **[B]** \$ 5,516,856

Total Net Debt Applicable to Limit (3) **[C]** 490,000

Legal Debt Margin **[B-C]** \$ 5,026,856

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 5,516,855.76	\$ 5,414,666.87	\$ 5,367,490.13	\$ 5,545,818.25	\$ 5,670,748.41	\$ 6,336,364.04	\$ 7,197,663.93	\$ 8,135,799.63	\$ 8,606,655.08	\$ 8,882,850.71
Total net debt applicable to limit	<u>490,000.00</u>	<u>735,000.00</u>	<u>980,000.00</u>	<u>1,230,000.00</u>	<u>1,475,000.00</u>	<u>1,720,000.00</u>	<u>1,960,000.00</u>	<u>2,195,000.00</u>	<u>2,425,000.00</u>	<u>2,655,000.00</u>
Legal debt margin	<u>\$ 5,026,855.76</u>	<u>\$ 4,679,666.87</u>	<u>\$ 4,387,490.13</u>	<u>\$ 5,940,799.63</u>	<u>\$ 4,195,748.41</u>	<u>\$ 6,907,247.00</u>	<u>\$ 6,087,674.00</u>	<u>\$ 4,499,419.00</u>	<u>\$ 2,955,736.00</u>	<u>\$ 2,001,356.00</u>
Total net debt applicable to the limit as a percentage of debt limit	8.88%	13.57%	18.26%	22.18%	26.01%	27.14%	27.23%	26.98%	28.18%	29.89%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2022	(5)	(5)	(5)	(5)
2021	5,297	(5)	(5)	14.1%
2020	4,713	\$ 257,226,114	\$ 54,578	17.9%
2019	4,703	237,957,691	50,597	10.9%
2018	4,764	226,218,540	47,485	10.9%
2017	4,790	219,971,170	45,923	13.5%
2016	4,817	217,371,942	45,126	12.1%
2015	4,867	216,951,392	44,576	14.1%
2014	4,931	209,133,572	42,412	15.3%
2013	4,980	207,128,160	41,592	20.1%

Source:

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

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

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	NOT AVAILABLE			NOT AVAILABLE		
	_____		_____	_____		_____
	=====		=====	=====		=====

Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction:										
Regular	120	132	143	136	135	133	132	124	125	130
Special education	17	20	18	20	22	23	33	36	38	37
Support Services:										
Student & instruction related services	39	34	40	40	39	39	23	36	37	39
General administrative services	3	3	3	3	3	3	4	3	3	3
School administrative services	19	15	15	15	16	16	17	13	13	13
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	14	12	13	14	15	16	16	18	16	17
Total	<u>217</u>	<u>221</u>	<u>237</u>	<u>233</u>	<u>235</u>	<u>235</u>	<u>230</u>	<u>235</u>	<u>237</u>	<u>244</u>

Source: District Personnel Records

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

Fiscal Year	Ending June	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily		% Change Average Daily Enrollment	Student Attendance Percentage
							Elementary	Middle School	High School	(ADE)	(ADA)		
2022		1,242	\$ 30,866,742	\$ 24,852	4.57%	137	1:12	1:16	1:9	1,172	1,027	0.34%	87.6%
2021		1,303	30,966,140	23,765	8.69%	132	1:16.5	1:16	1:9.5	1,168	1,047	-5.43%	89.6%
2020		1,297	28,358,660	21,865	-3.24%	138	1:11	1:13	1:8	1,235	1,145	0.24%	92.7%
2019		1,274	28,789,007	22,597	-6.23%	196	1:11	1:13	1:8	1,232	1,164	5.48%	94.5%
2018		1,169	28,170,824	24,098	3.35%	203	1:13	1:9	1:6	1,168	1,060	2.64%	90.8%
2017		1,183	27,583,132	23,316	2.34%	201	1:13	1:10	1:7	1,138	1,014	-0.52%	89.1%
2016		1,174	26,748,232	22,784	1.96%	208	1:16	1:10	1:7	1,144	1,059	-1.29%	92.6%
2015		1,179	26,346,049	22,346	2.91%	200	1:13	1:9	1:7	1,159	1,065	-2.61%	91.9%
2014		1,212	26,317,805	21,714	1.36%	200	1:12	1:10	1:6	1,190	1,083	0.59%	91.0%
2013		1,206	25,835,029	21,422	2.40%	206	1:11	1:9	1:7	1,183	1,090	-5.21%	92.1%

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

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

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Elementary</u>										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	382	382	432	433	456	457	457	469	460	420
<u>Middle School</u>										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	414	414	468	470	380	396	391	425	439	452
<u>High School</u>										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	380	380	397	371	336	321	321	319	327	347
<u>Other</u>										
Maintenance Garage (1985)										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	960	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	288	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Garage Building										
Square Feet (2005)	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Mini Barn										
Square Feet (2005)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
TCU Trailers (6)										
Square Feet (2012)	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336

Number of Schools at June 30, 2022

Elementary = 1
 Middle School = 1
 High School = 1

Source: District records, ASSA Report

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

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

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

* School Facilities	Project #	Fiscal Year Ended June 30,										
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
District Wide	N/A	\$ 33,546.83	\$ 18,744.45	\$ 25,386.47	\$ 13,067.83	\$ 13,067.83	\$ 12,937.40	\$ 11,095.80				
Elementary School	N/A	37,210.84	20,791.73	28,159.19	14,495.10	14,495.10	3,370.28	66,996.36	\$ 85,948.80	\$ 46,915.32	\$ 34,856.56	
Middle School	N/A	65,663.76	36,689.93	49,690.86	25,578.65	25,578.65	21,703.48	52,573.37	98,074.40	19,873.36	24,803.39	
High School	N/A	86,761.87	48,478.59	65,656.80	33,797.20	33,797.20	41,163.81	150,754.03	51,242.65	56,208.61	187,861.99	
Total		\$ 223,183.31	\$ 124,704.70	\$ 168,893.32	\$ 86,938.78	\$ 86,938.77	\$ 79,174.97	\$ 281,419.56	\$ 235,265.85	\$ 122,997.29	\$ 247,521.94	

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

Source: District Records

CITY OF SALEM SCHOOL DISTRICT

Insurance Schedule

June 30, 2022

Unaudited

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

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Salem School District's, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2022-002, Finding No. 2022-003, Finding No. 2022-004, and Finding No. 2022-005. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No. 2022-002, to be material weakness.

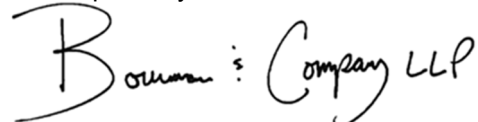
A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

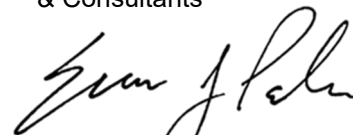
Government Auditing Standards requires the auditor to perform limited procedures on the City of Salem School District's response to the internal control over compliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
March 16, 2023

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program or Cluster Total	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2021
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medicaid Cluster:								
Medical Assistance Program Medicaid; Title XIX	93.778		2105NJ5MAP	N/A	\$ 102,149.09	07/01/21	06/30/22	-
Total Medical Assistance Program Medicaid Cluster								
Total General Fund								
Special Revenue Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Part A Grants to Local Educational Agencies	84.010		S010A200030	ESSA463020	867,306.00	07/01/19	09/30/20	\$ 25,307.73
Title I Part A Grants to Local Educational Agencies	84.010		S010A200030	ESSA463021	893,253.00	07/01/20	09/30/21	(97,259.51)
Title I Part A Grants to Local Educational Agencies	84.010		S010A200030	ESSA463022	891,326.00	07/01/21	09/30/22	-
Passed through Title I - Part A Funds:								
SIA Part A	84.010		S010A200030	ESSA463020	120,811.00	07/01/19	09/30/20	7,567.50
SIA Part A	84.010		S010A200030	ESSA463021	60,500.00	07/01/20	09/30/21	(3,953.98)
SIA Part A	84.010		S010A200030	ESSA463022	59,562.00	07/01/21	09/30/22	-
Total Title I Grants to Local Educational Agencies								
Supporting Effective Instruction State Grant Title II, Part A	84.367		S367A200029	ESSA463022	76,164.00	07/01/21	09/30/22	-
Total Supporting Effective Instruction State Grant Title II, Part A								
State Assessment Program (Title IV, Part A)	84.424		S424A200031	ESSA054021	62,880.00	07/01/20	09/30/21	(13,205.00)
State Assessment Program (Title IV, Part A)	84.424		S424A200031	ESSA054022	62,306.00	07/01/21	09/30/22	-
Total State Assessment Program (Title IV, Part A)								
Special Education Cluster:								
Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A200100	IDEA463022	352,210.00	07/01/21	09/30/22	-
ARP Special Education Grants to States (ARP IDEA Basic)	84.027	COVID-19; 84.027X	H027A200100	IDEA463022	70,657.00	07/01/21	09/30/22	-
Total Special Education Grants to States (I.D.E.A. Basic)								
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A200114	IDEA463022	8,651.00	07/01/21	09/30/22	-
ARP Special Education Grants to States (ARP IDEA Preschool)	84.173	COVID-19; 84.173X	H173A200114	IDEA463022	5,988.00	07/01/21	09/30/22	-
Total Special Education Grants to States (I.D.E.A. Preschool)								
Total Special Education Cluster (I.D.E.A.)								
Career and Technical Education - Basic Grants (Perkins):								
Career and Technical Education CTE (Perkins IV)	84.048		V048A200030	PERK463022	14,261.00	07/01/21	06/30/22	-
Education Stabilization Fund (ESF):								
Elementary and Secondary School Emergency Relief Fund (CARES Emergency Relief Grant)	84.425	COVID-19, 84.425D	S425D200027	CARE463020	722,003.00	03/13/20	09/30/22	(161,970.39)
Elementary and Secondary School Emergency Relief Fund (ESSERII)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	2,797,869.00	03/13/20	09/30/23	(119,787.70)
Elementary and Secondary School Emergency Relief Fund (ESSERIII)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	6,416,806.00	03/13/20	09/30/24	-
Elementary and Secondary School Emergency Relief Fund (ESSERII)(Learning Acceleration)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	176,553.00	03/13/20	09/30/23	(52,098.00)
Elementary and Secondary School Emergency Relief Fund (ESSERIII)(Learning Acceleration)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	40,000.00	03/13/20	09/30/24	-
Elementary and Secondary School Emergency Relief Fund (ESSERII)(Mental Health)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	45,000.00	03/13/20	09/30/23	-
Elementary and Secondary School Emergency Relief Fund (ESSERIII)(Mental Health)	84.425	COVID-19, 84.425D	S425D210027	CARE463021	88,501.00	03/13/20	09/30/24	-
Elementary and Secondary School Emergency Relief Fund (Homeless II - ARP)	84.425	COVID-19, 84.425W	S425W210027	CARE463021	46,005.00	04/23/21	09/30/23	-
Total Education Stabilization Fund								
Total U.S. Department of Education								
U.S. Department of Treasury:								
Passed Through N.J. State Department of Education:								
Coronavirus Relief Fund - School Re-Opening and Remote Learning	21.019	COVID-19	STL0228	Not Available	133,392.00	07/16/20	10/31/20	7,001.88
Total Special Revenue Fund								
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Fresh Fruit & Vegetable Program	10.582		211NJ304L1603	Unavailable	43,581.19	07/01/20	06/30/21	(4,835.10)
Fresh Fruit & Vegetable Program	10.582		221NJ304L1603	Unavailable	46,509.30	07/01/20	06/30/21	-
Total Fresh Fruit & Vegetable Program								
Child Nutrition Cluster:								
Cash Assistance:								
National School Lunch Program - Seamless Summer Option	10.555	COVID-19	211NJ304N1099	Unavailable	353,065.25	07/01/20	06/30/21	(25,151.50)
National School Lunch Program - Seamless Summer Option	10.555	COVID-19	221NJ304N1099	Unavailable	794,865.10	07/01/21	06/30/22	-
National School Snack Program	10.555		211NJ304N1099	Unavailable	7,094.00	07/01/21	06/30/22	-
Total National School Lunch / Snack Program								
School Breakfast Program - Seamless Summer Option	10.553	COVID-19	211NJ304N1099	Unavailable	198,212.13	07/01/20	06/30/21	(14,050.47)
School Breakfast Program - Seamless Summer Option	10.553	COVID-19	221NJ304N1099	Unavailable	364,571.84	07/01/21	06/30/22	-
Total School Breakfast Program								
Supply Chain Assistance Award	10.559	COVID-19	211NJ304N1099	Unavailable	28,089.74	07/01/21	06/30/22	-
Emergency Operational Costs Reimbursement Program	10.559	COVID-19	202121H170341	Unavailable	111,722.61	07/01/20	06/30/21	(111,722.61)
Total Summer Food Service Program								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555		211NJ304N1099	Unavailable	104,466.94	07/01/21	06/30/22	-
Total Child Nutrition Cluster								
P-EBT Administrative Cost	10.649	COVID-19	202121S900941	Unavailable	3,063.00	07/01/20	06/30/21	(3,063.00)
P-EBT Administrative Cost	10.649	COVID-19	212121S900941	Unavailable	3,135.00	07/01/20	06/30/21	-
Total Enterprise Fund and U.S. Department of Agriculture								
Total Federal Financial Assistance								
								\$ (455,497.54)

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

Carryover / (Waikover)	Cash Received	Budgetary Expenditures			Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 102,149.09	\$ (102,149.09)		\$ (102,149.09)						
-	102,149.09	(102,149.09)	-	(102,149.09)	-	-	-	-	-	-
-	102,149.09	(102,149.09)	-	(102,149.09)	-	-	-	-	-	-
		(25,307.73)		(25,307.73)						
	132,423.00	(35,163.49)		(35,163.49)						
	698,469.00	(876,499.61)		(876,499.61)			\$ (178,030.61)			
		(7,567.50)		(7,567.50)						
	7,854.00	(3,900.02)		(3,900.02)						
	31,876.00	(46,937.90)		(46,937.90)			(15,061.90)			
-	870,622.00	(995,376.25)	-	(995,376.25)	-	-	(193,092.51)	-	-	-
	76,164.00	(76,164.00)		(76,164.00)						
-	76,164.00	(76,164.00)	-	(76,164.00)	-	-	-	-	-	-
	13,205.00									
	61,683.00	(62,306.00)		(62,306.00)			(623.00)			
-	74,888.00	(62,306.00)	-	(62,306.00)	-	-	(623.00)	-	-	-
	352,210.00	(352,210.00)		(352,210.00)						
	70,657.00	(70,657.00)		(70,657.00)						
-	422,867.00	(422,867.00)	-	(422,867.00)	-	-	-	-	-	-
		(8,035.90)		(8,035.90)			(8,035.90)			
	5,988.00	(5,988.00)		(5,988.00)						
-	5,988.00	(14,023.90)	-	(14,023.90)	-	-	(8,035.90)	-	-	-
-	428,855.00	(436,890.90)	-	(436,890.90)	-	-	(8,035.90)	-	-	-
-	14,261.00	(14,261.00)	-	(14,261.00)	-	-	-	-	-	-
	189,623.00	(109,177.78)		(109,177.78)			(81,525.17)			
	119,788.00	(940,387.39)		(940,387.39)			(940,387.09)			
		(941,713.85)		(941,713.85)			(941,713.85)			
	140,856.00	(142,560.75)		(142,560.75)			(53,802.75)			
		(40,000.00)		(40,000.00)			(40,000.00)			
	45,000.00	(45,000.00)		(45,000.00)						
		(88,501.00)		(88,501.00)			(88,501.00)			
		(46,005.00)		(46,005.00)			(46,005.00)			
-	495,267.00	(2,353,345.77)	-	(2,353,345.77)	-	-	(2,191,934.86)	-	-	-
-	1,960,057.00	(3,938,343.92)	-	(3,938,343.92)	-	-	(2,393,686.27)	-	-	-
		(7,001.88)		(7,001.88)						
-	1,960,057.00	(3,945,345.80)	-	(3,945,345.80)	-	-	(2,393,686.27)	-	-	-
	4,835.10									
	46,509.30	(46,509.30)		(46,509.30)						
-	51,344.40	(46,509.30)	-	(46,509.30)	-	-	-	-	-	-
	25,151.50									
	749,814.97	(794,865.10)		(794,865.10)			(45,050.13)			
	7,094.00	(7,094.00)		(7,094.00)						
-	782,060.47	(801,959.10)	-	(801,959.10)	-	-	(45,050.13)	-	-	-
	14,050.47									
	341,600.95	(364,571.84)		(364,571.84)			(22,970.89)			
-	355,651.42	(364,571.84)	-	(364,571.84)	-	-	(22,970.89)	-	-	-
		(28,089.74)		(28,089.74)			(28,089.74)			
-	111,722.61	(28,089.74)	-	(28,089.74)	-	-	(28,089.74)	-	-	-
	104,466.94	(104,466.94)		(104,466.94)						
-	1,242,178.83	(1,270,997.88)	-	(1,270,997.88)	-	-	(68,021.02)	-	-	-
	3,063.00									
	3,135.00	(3,135.00)		(3,135.00)						
-	6,198.00	(3,135.00)	-	(3,135.00)	-	-	-	-	-	-
-	1,299,721.23	(1,320,642.18)	-	(1,320,642.18)	-	-	(68,021.02)	-	-	-
-	\$ 3,361,927.32	\$ (5,396,226.81)	-	\$ (5,396,226.81)	-	-	\$ (2,489,797.03)	-	-	-

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2022

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		June 30, 2021		
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public							
Equalization Aid	21-495-034-5120-078	\$ 13,619,256.00	07/01/20	06/30/21	\$ (1,307,049.00)		
Equalization Aid	22-495-034-5120-078	15,110,758.00	07/01/21	06/30/22			
School Choice Aid	21-495-034-5120-068	24,828.00	07/01/20	06/30/21	(2,383.00)		
School Choice Aid	22-495-034-5120-068	22,204.00	07/01/21	06/30/22			
Special Education Categorical Aid	21-495-034-5120-089	723,650.00	07/01/20	06/30/21	(69,449.00)		
Special Education Categorical Aid	22-495-034-5120-089	723,650.00	07/01/21	06/30/22			
Security Aid	21-495-034-5120-084	425,317.00	07/01/20	06/30/21	(40,818.00)		
Security Aid	22-495-034-5120-084	425,317.00	07/01/21	06/30/22			
Adjustment Aid	21-495-034-5120-085	2,162,927.00	07/01/20	06/30/21	(207,578.00)		
Adjustment Aid	22-495-034-5120-085	2,162,927.00	07/01/21	06/30/22			
Total State Aid - Public					(1,627,277.00)	-	-
Transportation Aid							
Transportation Aid	21-495-034-5120-014	281,682.00	07/01/20	06/30/21	(27,033.00)		
Transportation Aid	22-495-034-5120-014	281,682.00	07/01/21	06/30/22			
Total Transportation Aid					(27,033.00)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	21-495-034-5120-044	342,443.00	07/01/20	06/30/21	(342,443.00)		
Extraordinary Special Education Aid	22-495-034-5120-044	171,775.00	07/01/21	06/30/22			
Total - Extraordinary Special Education Aid					(342,443.00)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	711,963.84	07/01/20	06/30/21	(3,901.65)		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	732,314.12	07/01/21	06/30/22			
Total Reimbursed TPAF Social Security Contributions					(3,901.65)	-	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical							
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	22-495-034-5094-002	883,665.00	07/01/21	06/30/22			
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	22-495-034-5094-004	3,729,540.00	07/01/21	06/30/22			
On-Behalf T.P.A.F. Non-contributory Insurance	22-495-034-5094-004	52,619.00	07/01/21	06/30/22			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	22-495-034-5094-001	1,172.00	07/01/21	06/30/22			
Total On-Behalf TPAF Pension Contributions							
Total General Fund					(2,000,654.65)	-	-
Special Revenue Fund:							
New Jersey School Development Authority:							
Emergent and Capital Maintenance Needs Grant	Various	202,239.00	07/01/21	06/30/22	-	-	-
New Jersey Department of Education:							
Preschool Education Aid	21-495-034-5120-086	2,346,300.00	07/01/20	06/30/21	6,350.26		\$ (240,980.26)
Preschool Education Aid	22-495-034-5120-086	2,385,900.00	07/01/21	06/30/22			240,980.26
Total - Preschool Education Aid					6,350.26	-	-
Pre-K Wrap Around Program							
Pre-K Wrap Around Program	Unknown	19,740.00	07/01/19	06/30/20		\$ 331.95	
Pre-K Wrap Around Program	Unknown	18,180.00	07/01/20	06/30/21		2,036.05	
Pre-K Wrap Around Program	Unknown	18,360.00	07/01/21	06/30/22			
Total - Pre-K Wrap Around Program					-	2,368.00	-
School Based Youth Services							
School Based Youth Services	11XWSP	263,976.00	07/01/19	06/30/20		20,172.88	
School Based Youth Services	11XWSP	263,976.00	07/01/20	06/30/21		15,670.44	
School Based Youth Services	11XWSP	311,501.00	07/01/21	06/30/22			
Total - School Based Youth Services					-	35,843.32	-
Family Friendly Centers							
Family Friendly Centers	11XWSP	45,463.00	07/01/19	06/30/20		24,630.41	
Family Friendly Centers	11XWSP	45,463.00	07/01/20	06/30/21		13,962.50	
Family Friendly Centers	11XWSP	53,648.00	07/01/21	06/30/22			
Total - Family Friendly Centers					-	38,592.91	-
Total Special Revenue Fund					6,350.26	76,804.23	-
Debt Service Fund:							
New Jersey Department of Education:							
Debt Service Aid	22-495-034-5120-075	181,516.00	07/01/21	06/30/22	-	-	-

Cash Received	Budgetary Expenditures	Passed-Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2022			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 1,307,049.00									\$ (13,619,256.00)
13,641,598.10	\$ (15,110,758.00)				\$ (1,469,159.90)			\$ (1,469,159.90)	(15,110,758.00)
2,383.00									(24,828.00)
20,045.20	(22,204.00)				(2,158.80)			(2,158.80)	(22,204.00)
69,449.00									(723,650.00)
653,292.30	(723,650.00)				(70,357.70)			(70,357.70)	(723,650.00)
40,818.00									(425,317.00)
383,965.10	(425,317.00)				(41,351.90)			(41,351.90)	(425,317.00)
207,578.00									(2,162,927.00)
1,952,634.10	(2,162,927.00)				(210,292.90)			(210,292.90)	(2,162,927.00)
18,278,811.80	(18,444,856.00)	-	-	-	(1,793,321.20)	-	-	(1,793,321.20)	(35,400,834.00)
27,033.00									(281,682.00)
254,295.20	(281,682.00)				(27,386.80)			(27,386.80)	(281,682.00)
281,328.20	(281,682.00)	-	-	-	(27,386.80)	-	-	(27,386.80)	(563,364.00)
342,443.00									(342,443.00)
	(171,775.00)				(171,775.00)				(171,775.00)
342,443.00	(171,775.00)	-	-	-	(171,775.00)	-	-	-	(514,218.00)
3,901.65									(711,963.84)
728,026.43	(732,314.12)				(4,287.69)				(732,314.12)
731,928.08	(732,314.12)	-	-	-	(4,287.69)	-	-	-	(1,444,277.96)
883,665.00	(883,665.00)								(883,665.00)
3,729,540.00	(3,729,540.00)								(3,729,540.00)
52,619.00	(52,619.00)								(52,619.00)
1,172.00	(1,172.00)								(1,172.00)
4,666,996.00	(4,666,996.00)								(4,666,996.00)
24,301,507.08	(24,297,623.12)	-	-	-	(1,996,770.69)	-	-	(1,820,708.00)	(42,589,689.96)
202,239.00	-	-	-	-	-	\$ 202,239.00	-	-	-
234,630.00									(2,346,300.00)
2,147,310.00	(2,054,904.45)				(238,590.00)	571,975.81		(238,590.00)	(2,385,900.00)
2,381,940.00	(2,054,904.45)	-	-	-	(238,590.00)	571,975.81	-	(238,590.00)	(4,732,200.00)
18,360.00	(18,360.00)						\$ 331.95		(19,408.05)
							2,036.05		(16,143.95)
18,360.00	(18,360.00)	-	-	-	-	-	2,368.00	-	(18,360.00)
18,360.00	(18,360.00)	-	-	-	-	-	-	-	(53,912.00)
311,501.00	(315,210.91)				(3,709.91)		20,172.88		(243,803.12)
							15,670.44		(248,305.56)
311,501.00	(315,210.91)	-	-	-	(3,709.91)	-	35,843.32	-	(315,210.91)
53,649.00	(70,967.78)				(17,318.78)		24,630.41		(45,463.00)
							13,962.50		(31,500.50)
53,649.00	(70,967.78)	-	-	-	(17,318.78)	-	38,592.91	-	(70,967.78)
2,967,689.00	(2,459,443.14)	-	-	-	(259,618.69)	774,214.81	76,804.23	(238,590.00)	(147,931.28)
181,516.00	(181,516.00)	-	-	-	-	-	-	-	(5,741,362.87)
									(181,516.00)

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2022

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2021		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	22-100-010-3350-023	\$ 18,185.08	07/01/21	06/30/22			
Total Enterprise Fund					-	-	-
Total State Financial Assistance					\$ (1,994,304.39)	\$ 76,804.23	-

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

General Fund (Non-Cash Assistance):

New Jersey Department of the Education:

On-behalf Contributions:

On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	3,729,540.00	07/01/21	06/30/22
On-behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance	495-034-5094-004	1,172.00	07/01/21	06/30/22
On-behalf T.P.A.F. Pension Contributions - Non-Contributory Insurance	495-034-5094-004	52,619.00	07/01/21	06/30/22
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	883,665.00	07/01/21	06/30/22

Total General Fund (Non-Cash Assistance)

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

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

Cash Received	Budgetary Expenditures	Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2022			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 17,148.31	\$ (18,185.08)				\$ (1,036.77)				\$ (18,185.08)
17,148.31	(18,185.08)	-	-	-	(1,036.77)	-	-	-	(18,185.08)
<u>\$ 27,467,860.39</u>	<u>\$ (26,956,767.34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (2,257,426.15)</u>	<u>\$ 774,214.81</u>	<u>\$ 76,804.23</u>	<u>\$ (2,059,298.00)</u>	<u>\$ (48,530,753.91)</u>

\$ 3,729,540.00
 1,172.00
 52,619.00
883,665.00

4,666,996.00
\$ (22,289,771.34)

CITY OF SALEM SCHOOL DISTRICT

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

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$166,398.00) for the general fund and (\$772,869.85) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 102,149.09	\$ 24,131,225.12	\$ 24,233,374.21
Special Revenue	3,198,750.00	2,433,169.09	5,631,919.09
Debt Service		181,516.00	181,516.00
Food Service	1,348,731.92	18,185.08	1,366,917.00
GAAP Basis Revenues	4,649,631.01	26,764,095.29	31,413,726.30
GAAP Adjustments:			
State Aid Payments		170,358.00	170,358.00
Encumbrances	746,595.80	22,314.05	768,909.85
	746,595.80	192,672.05	939,267.85
Total Awards and Financial Assistance Expended	\$ 5,396,226.81	\$ 26,956,767.34	\$ 32,352,994.15

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

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

Note 7: MAJOR PROGRAMS

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

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Special Education Cluster:
84.027	H027A200100	I.D.E.A. Part B - Basic and ARP
84.173	H173A200114	I.D.E.A. Part B - Preschool and ARP
		Education Stabilization Fund (ESF):
84.425	S425D200027	ESSER - CARES Emergency Relief Grant
84.425	S425D210027 & S425W210027	ESSER II and Homeless II - ARP
84.425	S425D210027	ESSER - ARP
		Child Nutrition Cluster:
10.555	221NJ304N1099	National School Lunch Program - SSO & National School Snack Program
10.553	221NJ304N1099	School Breakfast Program - SSO
10.559	211NJ304N1099	Supply Chain Assistance Award

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

Auditee qualified as low-risk auditee? yes X no

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

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2022-001

Criteria or Specific Requirement

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

Condition

The School District did not have a fully functioning financial reporting system to allow for use in financial analysis and financial reporting for the fiscal year ended June 30, 2022.

Context

During our auditing procedures, it was noted the School District's financial records required several adjusting journal entries to accurately reflect the 2021-22 activity and year-end balances.

Effect or Potential Effect

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

Cause

Various breakdowns in the internal controls of the finance office.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

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

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

Finding No. 2022-002

Information on the Federal Program

U.S. Department of Education – Passed-through New Jersey Department of Education:

Special Education Cluster:

I.D.E.A. Part B – Basic and ARP	Assistance Listing No. 84.027	7/02/2021 – 9/30/2022
I.D.E.A. Part B – Preschool and ARP	Assistance Listing No. 84.173	7/02/2021 – 9/30/2022

Education Stabilization Fund (ESF):

ESSER – CARES Emergency Relief Grant	Assistance Listing No. 84.425	3/13/2020 – 9/30/2022
ESSER II	Assistance Listing No. 84.425	3/13/2020 – 9/30/2023
ESSER – American Rescue Plan	Assistance Listing No. 84.425	3/13/2020 – 9/30/2024
Homeless II – American Rescue Plan	Assistance Listing No. 84.425	4/23/2021 – 9/30/2023

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

Unknown.

Context

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

Effect or Potential Effect

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

Cause

Various breakdowns in the internal controls of the finance office.

Identification as a Repeat Finding

See Finding 2021-003.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

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

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

Finding No. 2022-003

Information on the Federal Program

U.S. Department of Education – Passed-through New Jersey Department of Education:
 Education Stabilization Fund (ESF):

ESSER – CARES Emergency Relief Grant	Assistance Listing No. 84.425	3/13/2020 – 9/30/2022
ESSER II	Assistance Listing No. 84.425	3/13/2020 – 9/30/2023
ESSER – American Rescue Plan	Assistance Listing No. 84.425	3/13/2020 – 9/30/2024
Homeless II – American Rescue Plan	Assistance Listing No. 84.425	4/23/2021 – 9/30/2023

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

Unknown.

Context

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

Effect or Potential Effect

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

Cause

Unknown.

Identification as a Repeat Finding

See Finding 2021-004.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

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

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

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

Finding No. 2022-004

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2021 – 6/30/2022

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

Criteria or Specific Requirement

N.J.A.C. 6A:23A-5.9 requires that for all employee and district board of education member travel events out of the country, regardless of cost or number of attendees, the School District shall obtain prior written approval of the Executive County Superintendent.

Condition

The School District had employees travel internationally as part of the District's International Baccalaureate Program but did not obtain approvals from the Executive County Superintendent.

Questioned Costs

None.

Context

The School District was unable to produce required approvals for travel outside of the country by employees.

Effect or Potential Effect

The School District was not in compliance with N.J.A.C. 6A:23A-5.9.

Cause

Unknown.

Identification as a Repeat Finding

See Finding 2021-005.

Recommendation

That the School District comply with N.J.A.C. 6A:23A-5.9 by receiving approvals for employees to travel internationally.

View of Responsible Officials and Planned Corrective Action

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

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

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

Finding No. 2022-005

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2021 – 6/30/2022

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

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

Unknown.

Context

Bid packages, for several purchases made during fiscal year 2022 in excess of the bid threshold, selected for audit could not be provided for examination by the School District.

Effect or Potential Effect

The School District was not in compliance with Public School Contracts Law (N.J.S.A. 18A:18A-1 et seq.) requirements.

Cause

Unknown.

Identification as a Repeat Finding

See Finding 2021-006.

Recommendation

That the School District comply with the procurement requirements of the Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et seq.).

View of Responsible Officials and Planned Corrective Action

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

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Condition

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

Current Status

This finding still exists. See Finding 2022-001.

Planned Corrective Action

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

Finding No. 2021-002

Condition

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

Current Status

This condition has been resolved.

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

FEDERAL AWARDS**Finding No. 2021-003****Program**

Special Education Cluster:	
I.D.E.A. Part B – Basic	Assistance Listing No. 84.027
I.D.E.A. Part B – Preschool	Assistance Listing No. 84.173
Education Stabilization Fund (ESF):	
ESSER I – CARES Act	Assistance Listing No. 84.425D
ESSER II – CARES Act	Assistance Listing No. 84.425D
ESSER I – Learning Acceleration	Assistance Listing No. 84.425D
Coronavirus Relief Fund (CRF):	
School Re-Opening and Remote Learning	Assistance Listing No. 21.019
Digital Divide	Assistance Listing No. 21.019

Condition

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

Current Status

This finding still exists. See Finding 2022-002.

Planned Corrective Action

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

Finding No. 2021-004**Program**

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

Condition

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

Current Status

This finding still exists. See Finding 2022-003.

Planned Corrective Action

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

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

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2021-005

Program

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

Condition

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

Current Status

A portion of this condition has been resolved. See Finding 2022-004 for the portion that still exists.

Planned Corrective Action

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

Finding No. 2021-006

Program

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

Condition

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

Current Status

This finding still exists. See Finding 2022-005.

Planned Corrective Action

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

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

STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)

Finding No. 2021-007

Program

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

Condition

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

Current Status

This condition has been resolved.