

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
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INTRODUCTORY SECTION



Galloway Township Public Schools

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

Stephen P. Santilli
Superintendent of Schools

Joy N. Nixon, CPA
School Business Administrator

January 29, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Galloway Township Public School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Galloway Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 3,256 students (including 43 students attending Charter Schools). The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment Per Year Data

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2022-23	3,256	-0.00%
2021-22	3,257	-2.19%
2020-21	3,330	-0.39%
2019-20	3,343	0.91%
2018-19	3,313	-0.45%
2017-18	3,328	0.30%
2016-17	3,318	0.58%
2015-16	3,299	0.52%
2014-15	3,282	-4.87%
2013-14	3,450	-1.68%

2) ECONOMIC CONDITION AND OUTLOOK:

In the 2022-2023 school year, the Galloway Township area continued to move forward from the effects related to the COVID-19 pandemic of 2020. General businesses and economic growth to the area have slowed over the past decade, especially in the gaming industry related to nearby Atlantic City. The majority of the last ten years, enrollment has leveled with only slight increases/decreases. While this health and related economic downturn is expected to stabilize in the near future, Galloway Township does not expect to experience significant growth issues in the near future.

3) MAJOR INITIATIVES:

During the 2023-2024 school year, our district and schools continued efforts to provide a quality education in a safe, positive learning environment. Our initiatives focused on supporting the whole child and providing social emotional as well as academic supports to meet student needs.

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

- Purchased supplemental and/or replacement materials for all content areas and programs.
- Maintained instructional technology through purchase of updated teacher workstations, student chromebooks, and interactive flat panel displays.

3) MAJOR INITIATIVES (CONT'D):

- Expanded preschool across all four elementary schools in the district.
- Provided ongoing staff development aligned to our district professional development plan. The overarching goals were to support the whole child through social emotional, behavioral, and academic supports. In addition to trainings supporting classroom management social emotional learning and restorative practices, there was a continued focus to help students meet the rigorous NJ Student Learning Standards through training on the NJ Multi-tiered Systems of Supports model. A special focus this year included developing our leadership team through ongoing coaching for administrators and teacher leaders through a partnership with a professional leadership consultant.
- Offered a Title I funded a Summer Academy Program with in-person and virtual options and IDEA funded in-person Extended School Year and Summer Extension Program. Additionally, we utilized ESSER funding to provide summer counseling services to identified students.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

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

10) ACKNOWLEDGMENTS:

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

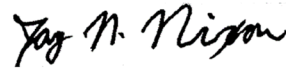
Respectfully submitted,

Stephen P. Santilli



Superintendent of Schools

Joy N. Nixon



School Business Administrator/
Board Secretary

Organizational Chart



**GALLOWAY TOWNSHIP PUBLIC SCHOOLS
MEMBERS OF THE BOARD OF EDUCATION AND
ADMINISTRATIVE STAFF
AS OF JUNE 30, 2023**

SCHOOL BOARD MEMBERS

TERM EXPIRES

Suzette Carmen, President	2025
Richard Dase, Vice-President	2024
Madeline Avery	2024
Alexa Beshara – Blauth, D.M.	2024
Ebenezer O-A Bilewu, DC	2023
Belinda Chester	2025
Susan Coll-Guedes	2023
James Gentile	2025
Sherri Parmenter, Ed. D.	2023

ADMINISTRATIVE STAFF

Annette C. Giaquinto, Ed.D Superintendent of Schools, retired effective 12/31/22
 Replaced by Stephen P. Santilli
 Joy N. Nixon, CPA, MBA , Board Secretary, School Business Administrator

PRINCIPALS

ELEMENTARY SCHOOLS

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

MIDDLE SCHOOL

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

Audit Firm

**Daniel M. DiGangi
Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043**

Attorney

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Cooper Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, NJ 08401**

Architect

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

Official Depository

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of June 30, 2023, 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 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 Township of Galloway School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024 on our consideration of the Township of Galloway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Galloway School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Galloway School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS002376

Voorhees, New Jersey
January 29, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

The management's discussion and analysis of Galloway Township School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2023 and 2022. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2023:

- The assets and deferred outflows of resources of the Galloway Township School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,618,311 (net position).
- The School District's total net position increased by \$609,068. This increase is primarily attributable to excess revenue received over budgeted amounts.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$14,650,664, a decrease of \$635,380 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$840,644, which is a decrease of \$1,407,552 in comparison with the prior fiscal year.
- The Galloway Township School District's bonded debt decreased by \$169,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has two kinds of funds:

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

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2023 and 2022.

TABLE 1				
Net Position				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 17,591,078	\$ 19,433,083	\$ (1,842,005)	-9.48%
Capital Assets, net	27,912,355	28,465,355	(553,000)	-1.94%
Total Assets	<u>45,503,432</u>	<u>47,898,438</u>	<u>(2,395,005)</u>	<u>-5.00%</u>
Deferred Outflows of Resources:				
Related to Pensions	2,733,670	2,478,901	254,769	10.28%
Liabilities:				
Long-Term Liabilities	18,281,374	15,374,843	2,906,531	18.90%
Other Liabilities	2,855,776	3,240,083	(384,308)	-11.86%
Total Liabilities	<u>21,137,150</u>	<u>18,614,927</u>	<u>2,522,223</u>	<u>13.55%</u>
Deferred Inflows of Resources - Related to Pensions	2,481,642	7,753,169	(5,271,527)	-67.99%
Net Position:				
Net Investment in Capital Assets	27,573,679	27,621,092	(47,413)	-0.17%
Restricted	13,262,029	12,986,155	275,874	2.12%
Unrestricted (Deficit)	(16,217,397)	(16,598,004)	380,607	-2.29%
Total Net Position	<u>\$ 24,618,311</u>	<u>\$ 24,009,243</u>	<u>\$ 609,068</u>	<u>2.54%</u>

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

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 2,733,670	\$ 2,478,901	\$ 254,769	10.28%
Less: Net Pension Liability	(15,851,589)	(12,352,750)	(3,498,839)	-28.32%
Less: Deferred Inflows Related to Pensions	(2,481,642)	(7,753,169)	5,271,527	67.99%
	<u>\$ (15,599,561)</u>	<u>\$ (17,627,018)</u>	<u>\$ 2,027,457</u>	<u>11.50%</u>

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2023 and 2022.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,954,612	\$ 1,505,840	\$ 448,772	29.80%
Operating Grants and Contributions	20,316,622	25,903,811	(5,587,189)	-21.57%
General Revenues:				
Property Taxes	35,825,572	33,990,218	1,835,354	5.40%
Federal and State Aid	28,686,553	29,122,582	(436,029)	-1.50%
Other	528,390	499,602	28,788	5.76%
Total Revenues	<u>87,311,749</u>	<u>91,022,054</u>	<u>(3,710,305)</u>	<u>-4.08%</u>
Expenses:				
Instruction:				
Regular	17,372,687	17,515,407	(142,721)	-0.81%
Special Education	12,927,161	12,031,048	896,113	7.45%
Other Special Instruction	2,716,459	2,476,112	240,347	9.71%
Other Instruction	91,937	88,241	3,696	4.19%
Tuition	1,727,649	1,502,504	225,145	14.98%
Student Services:				
Student and Instruction Related	9,001,876	8,552,009	449,868	5.26%
School Administrative Services	2,114,583	1,966,337	148,246	7.54%
Other Administrative Services	1,990,802	2,070,448	(79,645)	-3.85%
Plant Operations and Maintenance	5,334,059	5,546,352	(212,293)	-3.83%
Pupil Transportation	5,669,471	4,915,599	753,873	15.34%
Unallocated Benefits	21,028,981	24,376,795	(3,347,814)	-13.73%
Reimbursed TPAF Pension and Social Security	2,142,251	2,053,569	88,683	4.32%
Transfer to Charter Schools	856,903	736,809	120,094	16.30%
Interest on Long-Term Debt	9,830	17,858	(8,028)	-44.95%
Unallocated Depreciation and Amortization	4,043	4,043		
Food Service	2,763,469	2,411,147	352,321	14.61%
Childcare Program	891,366	616,507	274,859	44.58%
Gifted and Talented Consortium	26,415	13,068	13,347	102.14%
Community Education	32,738	18,746	13,992	74.64%
Total Expenses	<u>86,702,681</u>	<u>86,912,598</u>	<u>(209,917)</u>	<u>-0.24%</u>
Increase (Decrease) in Net Position	609,068	4,109,456	(3,500,388)	-85.18%
Beginning Net Position, As Presiously Reported	24,009,243	19,891,476	4,117,767	20.70%
Prior Period Adjustment		8,311	(8,311)	100.00%
Beginning Net Position, As Restated	<u>24,009,243</u>	<u>19,899,787</u>	<u>4,109,456</u>	<u>20.65%</u>
Ending Net Position	<u>\$ 24,618,311</u>	<u>\$ 24,009,243</u>	<u>\$ 609,068</u>	<u>2.54%</u>

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

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

Governmental Activities

In 2022-2023, Governmental Activities Revenues were \$84,078,328 or 96.30% of total revenues.

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

The \$2,882,158 decrease in Governmental Activities Revenues from FY 2021-2022 to FY 2022-2023 was mainly related to the revenues associated with GASB 75.

In 2022-2023, General Revenues - Property Taxes of \$35,825,572 made up 41.03%, and General Revenues – Federal and State Aid of \$28,686,553 made up 32.86% of total revenues.

In 2021-2022, General Revenues - Property Taxes of \$33,990,218 made up 37.34%, and General Revenues – Federal and State Aid of \$27,237,195 made up 28.73% of total revenues.

In 2022-2023, the School District's Governmental Activities expenditures decreased by \$864,437 or 1.03%. This decrease was mainly the result of Unallocated Benefits increasing due GASB 68 & 75 reported expenses.

Business-Type Activities

In 2022-2023 Business-Type Activities Revenues were \$3,233,420 or 3.70% of total revenues. In 2021-2022 Business-Type Activities Revenues were \$4,061,568 or 4.46% of total revenues.

Charges for Services for Business-Type Activities were \$1,279,330 in 2022-2023 compared to \$885,268 in 2021-2022, a 44.51% increase.

Expenses for Business-Type Activities were \$3,713,898 in 2022-2023 compared to \$3,059,468 in 2021-2022, a 21.39% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$63,615,802.

The General Fund Tax Levy was \$35,712,752 for 2022-2023 and \$33,872,502 for 2021-2022.

During fiscal year 2023, the School District budgeted \$35,712,752 for property taxes (local tax levy), \$27,033,649 for state revenues and \$168,901 for federal revenues.

The School District also received \$2,138,956 and \$12,869,463 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions, respectively. The Galloway Township School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions of \$2,138,956 and \$12,869,463, respectively.

The final budgetary basis expenditure appropriation estimate was \$67,986,027, which was \$262,532 more than the original budget.

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

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

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$14,650,664, a decrease of \$635,380 in comparison with the prior year.

Of the combined ending fund balances of \$14,650,664, (\$1,122,168) constitutes unassigned fund balance. The remainder of fund balance of \$15,772,832 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$1,331,131 in unrestricted net position.

CAPITAL ASSETS

The Galloway Township School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$27,912,354 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, leases and furniture, fixtures and equipment. There was a net decrease in the Galloway Township School District's investment in capital assets for the current fiscal year of 1.94%. The net decrease was the result of depreciation in excess of additions. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation and Amortization):	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 3,471,769	\$ 3,456,704
Construction in Progress	3,500,424	166,151
Land Improvements	287,838	3,478,835
Building and Improvements	19,332,743	20,019,010
Leases - Copiers	374,042	468,998
Furniture, Fixtures and Equipment	<u>945,539</u>	<u>875,657</u>
 Total Capital Assets	 <u>\$ 27,912,355</u>	 <u>\$ 28,465,355</u>

Depreciation and amortization expense was \$2,331,405 for fiscal year ended 2023 and \$2,450,585 for fiscal year ended 2022.

DEBT ADMINISTRATION

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

Township of Galloway School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2022-2023 school year, the Galloway Township School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 41.03% of total revenue is from local tax levy and 32.86% percent of the Galloway Township School District's revenue is from general revenue - federal and state aid (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 11,869,774.32	\$ 2,084,667.37	\$ 13,954,441.69
Receivables (Note 4)	3,354,219.30	143,507.09	3,497,726.39
Restricted Cash and Cash Equivalents	115,248.51		115,248.51
Inventory (Note 5)		23,661.00	23,661.00
Capital Assets, net (Note 6)	<u>27,511,319.24</u>	<u>401,035.66</u>	<u>27,912,354.90</u>
Total Assets	<u>42,850,561.37</u>	<u>2,652,871.12</u>	<u>45,503,432.49</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>2,733,670.00</u>	<u>-</u>	<u>2,733,670.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	1,395,102.00		1,395,102.00
Other	860,866.63	96,801.10	957,667.73
Internal Balances	(651,459.86)	651,459.86	
Payable to Other Governments	11,103.00		11,103.00
Accrued Interest	2,653.53		2,653.53
Unearned Revenue	468,068.23	21,181.18	489,249.41
Noncurrent Liabilities (Note 7):			
Due within One Year	723,073.67	30,252.38	753,326.05
Due beyond One Year	<u>17,407,038.41</u>	<u>121,009.54</u>	<u>17,528,047.95</u>
Total Liabilities	<u>20,216,445.61</u>	<u>920,704.06</u>	<u>21,137,149.67</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>2,481,642.00</u>	<u>-</u>	<u>2,481,642.00</u>
NET POSITION:			
Net Investment in Capital Assets	27,172,643.63	401,035.66	27,573,679.29
Restricted for:			
Unemployment Compensation	185,715.84		185,715.84
Student Activities	113,629.12		113,629.12
Capital Projects	4,784,162.32		4,784,162.32
Other Purposes	8,178,521.71		8,178,521.71
Unrestricted (Deficit)	<u>(17,548,528.86)</u>	<u>1,331,131.40</u>	<u>(16,217,397.46)</u>
Total Net Position	<u>\$ 22,886,143.76</u>	<u>\$ 1,732,167.06</u>	<u>\$ 24,618,310.82</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 17,372,686.76	\$ 387,179.19			\$ (16,985,507.57)		\$ (16,985,507.57)
Special Education	12,927,161.23	288,103.26	\$ 3,103,390.34		(9,535,667.63)		(9,535,667.63)
Other Special Instruction	2,716,459.19				(2,716,459.19)		(2,716,459.19)
Other Instruction	91,937.27				(91,937.27)		(91,937.27)
Tuition	1,727,649.13		500,000.00		(1,227,649.13)		(1,227,649.13)
Support Services:							
Student and Instruction Related Services	9,001,876.09		2,945,063.85		(6,056,812.24)		(6,056,812.24)
School Administrative Services	2,114,582.63				(2,114,582.63)		(2,114,582.63)
Other Administrative Services	1,990,802.48				(1,990,802.48)		(1,990,802.48)
Plant Operations and Maintenance	5,334,059.08		87,461.66		(5,246,597.42)		(5,246,597.42)
Pupil Transportation	5,669,471.37				(5,669,471.37)		(5,669,471.37)
Unallocated Benefits	21,028,980.56		9,615,248.89		(11,413,731.67)		(11,413,731.67)
Reimbursed TPAF and Social Security	2,142,251.38		2,142,251.38				
Transfer to Charter School	856,903.00				(856,903.00)		(856,903.00)
Interest on Long-Term Debt	9,830.04		6,266.88		(3,563.16)		(3,563.16)
Unallocated Depreciation and Amortization	4,042.65				(4,042.65)		(4,042.65)
Total Governmental Activities	82,988,692.86	675,282.45	18,399,683.00	-	(63,913,727.41)	-	(63,913,727.41)
Business-Type Activities:							
Food Service	2,763,468.76	412,030.47	1,916,939.84			\$ (434,498.45)	(434,498.45)
Childcare Program	891,366.11	815,509.49				(75,856.62)	(75,856.62)
Gifted and Talented Consortium	26,414.63	25,997.37				(417.26)	(417.26)
Community Education	32,738.19	25,793.00				(6,945.19)	(6,945.19)
Total Business-Type Activities	3,713,987.69	1,279,330.33	1,916,939.84	-	-	(517,717.52)	(517,717.52)
Total Government	\$ 86,702,680.55	\$ 1,954,612.78	\$ 20,316,622.84	-	(63,913,727.41)	(517,717.52)	(64,431,444.93)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					35,712,752.00		35,712,752.00
Taxes Levied for Debt Service					112,820.00		112,820.00
Federal and State Aid not Restricted					28,075,782.57		28,075,782.57
Federal and State Aid Restricted					610,768.52		610,768.52
Miscellaneous Income					491,239.56	37,150.23	528,389.79
Total General Revenues					65,003,362.65	37,150.23	65,040,512.88
Change in Net Position					1,089,635.24	(480,567.29)	609,067.95
Net Position -- July 1					21,796,508.52	2,212,734.35	24,009,242.87
Net Position -- June 30					\$ 22,886,143.76	\$ 1,732,167.06	\$ 24,618,310.82

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Assets:					
Cash and Cash Equivalents	\$ 11,869,774.32	\$ 113,629.12	\$ 1,619.22	\$ 0.17	\$ 11,985,022.83
Interfunds Receivable:					
Food Service Fund	322,421.56				322,421.56
Child Care	324,586.91				324,586.91
Gifted and Talented Consortium	5,295.88				5,295.88
Special Revenue Fund	1,469,381.18				1,469,381.18
Receivables from Other Governments:					
State of NJ -- FICA	103,179.65				103,179.65
State of NJ -- Extraordinary Aid	963,569.00				963,569.00
State of NJ -- Non-Public Transportation	48,390.00				48,390.00
State of NJ -- Homeless Aid	19,140.00				19,140.00
Federal Grants		1,823,386.65			1,823,386.65
Other Receivables	396,554.00				396,554.00
Total Assets	\$ 15,522,292.50	\$ 1,937,015.77	\$ 1,619.22	\$ 0.17	\$ 17,460,927.66
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable					
Other	\$ 183,300.20	\$ 156,358.24	\$ 1,100.00		\$ 340,758.44
Unemployment Compensation Claims Payable	135,714.31				135,714.31
Payroll Deductions and Withholdings Payable	384,393.88				384,393.88
Interfunds Payable:					
Community Education Fund	844.49				844.49
General Fund		1,469,381.18			1,469,381.18
Payable to State Government		11,103.00			11,103.00
Unearned Revenue		468,068.23			468,068.23
Total Liabilities	704,252.88	2,104,910.65	1,100.00	-	2,810,263.53
Fund Balances:					
Restricted:					
Capital Reserve Account	4,783,643.10				4,783,643.10
Maintenance Reserve	2,802,913.20				2,802,913.20
Maintenance Reserve - Designated for					
Subsequent Year's Expenditures	303,860.00				303,860.00
Emergency Reserve	654,039.25				654,039.25
Excess Surplus	2,763,247.08				2,763,247.08
Excess Surplus -- Designated for					
Subsequent Year's Expenditures	1,958,322.18				1,958,322.18
Unemployment Compensation	185,715.84				185,715.84
Student Activities		113,629.12			113,629.12
Capital Projects - Designated for					
Subsequent Year's Expenditures			519.22		519.22
Debt Service				\$ 0.17	0.17
Assigned:					
Other Purposes	382,159.99				382,159.99
Subsequent Year's Expenditures	1,824,782.82				1,824,782.82
Unassigned (Deficit)	(840,643.84)	(281,524.00)			(1,122,167.84)
Total Fund Balances	14,818,039.62	(167,894.88)	519.22	0.17	14,650,664.13
Total Liabilities and Fund Balances	\$ 15,522,292.50	\$ 1,937,015.77	\$ 1,619.22	\$ 0.17	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds. The cost of the assets is \$74,079,526.38 and the accumulated depreciation and amortization is \$46,583,271.77. 27,511,319.24					
Long-term liabilities, including bonds payable and net pension liability, lease liability, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (18,130,112.08)					
Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds. (2,653.53)					
Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources. (1,395,102.00)					
Deferred Outflows of Resources - Related to Pensions 2,733,670.00					
Deferred Inflows of Resources - Related to Pensions (2,481,642.00)					
Net position of governmental activities \$ 22,886,143.76					

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 35,712,752.00			\$ 112,820.00	\$ 35,825,572.00
Tuition Charges	675,282.45				675,282.45
Miscellaneous	491,239.56	\$ 77,274.41			568,513.97
State Sources	42,705,597.38	3,440,594.59		72,234.00	46,218,425.97
Federal Sources	368,200.57	4,595,710.14			4,963,910.71
Total Revenues	79,953,071.96	8,113,579.14	-	185,054.00	88,251,705.10
EXPENDITURES:					
Regular Instruction	16,354,046.42				16,354,046.42
Special Education Instruction	8,643,146.45	3,526,036.00			12,169,182.45
Other Special Instruction	2,716,459.19				2,716,459.19
Other Instruction	91,937.27				91,937.27
Tuition	1,227,649.13	500,000.00			1,727,649.13
Support Services and Undistributed Costs:					
Student and Instruction Related Services	6,313,858.97	3,004,995.97			9,318,854.94
School Administrative Services	1,946,342.51				1,946,342.51
Other Administrative Services	2,004,874.58				2,004,874.58
Plant Operations and Maintenance	4,989,431.73	87,461.66			5,076,893.39
Pupil Transportation	5,669,471.37				5,669,471.37
Unallocated Benefits	13,367,661.80	932,861.89			14,300,523.69
Reimbursed TPAF Pension and Social Security	14,998,015.38				14,998,015.38
Transfer to Charter School	856,903.00				856,903.00
Debt Service:					
Principal				169,000.00	169,000.00
Interest and Other Charges				16,055.00	16,055.00
Capital Outlay	7,700.82	544,801.40	\$ 918,375.00		1,470,877.22
Total Expenditures	79,187,498.62	8,596,156.92	918,375.00	185,055.00	88,887,085.54
Excess (Deficiency) of Revenues over Expenditures	765,573.34	(482,577.78)	(918,375.00)	(1.00)	(635,380.44)
OTHER FINANCING SOURCES (USES):					
Local Contribution -- Transfer to Special Revenue Fund	(472,325.00)	472,325.00	-	-	-
Net Change in Fund Balances	293,248.34	(10,252.78)	(918,375.00)	(1.00)	(635,380.44)
Fund Balance -- July 1	14,524,791.28	(157,642.10)	918,894.22	1.17	15,286,044.57
Fund Balance (Deficit) -- June 30	\$ 14,818,039.62	\$ (167,894.88)	\$ 519.22	\$ 0.17	\$ 14,650,664.13

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	(635,380.44)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation and Amortization Expense	\$	(2,288,879.17)
Capital Outlays		<u>1,470,877.22</u>
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.		(818,001.95)
Repayment of financed purchase lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		169,000.00
Repayment of lease liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		9,554.20
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest adjustment is a reduction in the reconciliation. (+)		323,461.11
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		4,174.56
Amortization of Bond Premiums		3,571.43
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		76,329.33
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>1,956,927.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,089,635.24</u></u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 990,139.32	\$ 972,367.23	\$ 73,890.12	\$ 48,270.70	\$ 2,084,667.37
Accounts Receivable:					
Federal	107,777.12				107,777.12
State	3,194.53				3,194.53
Other	23,890.45	8,644.99			32,535.44
Interfund Accounts Receivable:					
Due General Fund				844.49	844.49
Inventories	23,661.00				23,661.00
Total Current Assets	<u>1,148,662.42</u>	<u>981,012.22</u>	<u>73,890.12</u>	<u>49,115.19</u>	<u>2,252,679.95</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	855,542.52	244,222.07			1,099,764.59
Less Accumulated Depreciation	(682,447.46)	(16,281.47)			(698,728.93)
Total Noncurrent Assets	<u>173,095.06</u>	<u>227,940.60</u>	<u>-</u>	<u>-</u>	<u>401,035.66</u>
Total Assets	<u>1,321,757.48</u>	<u>1,208,952.82</u>	<u>73,890.12</u>	<u>49,115.19</u>	<u>2,653,715.61</u>
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	322,421.56	324,586.91	5,295.88		652,304.35
Compensated Absences	30,252.38				30,252.38
Accounts Payable		96,801.10			96,801.10
Unearned Revenue	21,181.18				21,181.18
Total Current Liabilities	<u>373,855.12</u>	<u>421,388.01</u>	<u>5,295.88</u>	<u>-</u>	<u>800,539.01</u>
Noncurrent Liabilities:					
Compensated Absences	121,009.54	-	-	-	121,009.54
Total Liabilities	<u>494,864.66</u>	<u>421,388.01</u>	<u>5,295.88</u>	<u>-</u>	<u>921,548.55</u>
NET POSITION:					
Net Investment in Capital Assets	173,095.06	227,940.60			401,035.66
Unrestricted	653,797.76	559,624.21	68,594.24	49,115.19	1,331,131.40
Total Net Position	<u>\$ 826,892.82</u>	<u>\$ 787,564.81</u>	<u>\$ 68,594.24</u>	<u>\$ 49,115.19</u>	<u>\$ 1,732,167.06</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service	Child Care Program	Gifted and Talented Consortium	Community Education	Total
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 393,715.42				\$ 393,715.42
Special Functions	2,616.57				2,616.57
Miscellaneous	698.48				698.48
Community Service Activities		\$ 815,509.49	\$ 25,997.37	\$ 25,793.00	867,299.86
Total Operating Revenues	397,030.47	815,509.49	25,997.37	25,793.00	1,264,330.33
OPERATING EXPENSES:					
Salaries	1,236,771.97	428,402.91	22,159.00	25,297.89	1,712,631.77
Employee Benefits	303,149.20	38,256.43	1,695.16	1,935.30	345,036.09
Purchased Property Services	95,451.58	75,000.00			170,451.58
Purchased Professional and Technical Services	15,684.00	146,779.84			162,463.84
General Supplies	104,413.61	83,158.98	2,560.47	4,025.00	194,158.06
Depreciation	26,243.98	16,281.47			42,525.45
Cost of Sales - Reimbursable Programs	941,422.20				941,422.20
Cost of Sales - Non-Reimbursable Programs	39,225.92				39,225.92
Miscellaneous	1,106.30	103,486.48		1,480.00	106,072.78
Total Operating Expenses	2,763,468.76	891,366.11	26,414.63	32,738.19	3,713,987.69
Operating Income / (Loss)	(2,366,438.29)	(75,856.62)	(417.26)	(6,945.19)	(2,449,657.36)
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	35,498.08				35,498.08
State School Breakfast Program	6,275.70				6,275.70
State After Bell Program	3,803.90				3,803.90
State Support for Summer Food Service Program	570.60				570.60
Federal Sources:					
National School Lunch Program	1,089,672.74				1,089,672.74
National School Breakfast Program	464,303.21				464,303.21
After School Snack Program	31,064.04				31,064.04
Food Distribution Program	113,595.83				113,595.83
Summer Food Service Program - Breakfast & Lunch	155,009.16				155,009.16
Child Nutrition Summer Programs	15,575.38				15,575.38
School Programs Emergency Operational Costs	1,571.20				1,571.20
Local Sources:					
Administrative Fee	15,000.00				15,000.00
Interest Revenue	18,518.64	16,835.22	1,261.26	535.11	37,150.23
Total Nonoperating Revenues (Expenses)	1,950,458.48	16,835.22	1,261.26	535.11	1,969,090.07
Change in Net Position	(415,979.81)	(59,021.40)	844.00	(6,410.08)	(480,567.29)
Net Position -- July 1	1,242,872.63	846,586.21	67,750.24	55,525.27	2,212,734.35
Net Position -- June 30	\$ 826,892.82	\$ 787,564.81	\$ 68,594.24	\$ 49,115.19	\$ 1,732,167.06

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 386,463.18	\$ 811,506.49	\$ 25,997.37	\$ 25,793.00	\$ 1,249,760.04
Payments to Employees	(1,052,139.24)	(428,402.91)	(22,159.00)	(25,023.38)	(1,527,724.53)
Payments for Employee Benefits	(303,149.20)	(38,256.43)	(1,695.16)	(1,935.30)	(345,036.09)
Payments to Suppliers	(1,131,222.58)	(312,624.20)	(2,560.47)	(6,624.00)	(1,453,031.25)
Net Cash Provided by (used for) Operating Activities	<u>(2,100,047.84)</u>	<u>32,222.95</u>	<u>(417.26)</u>	<u>(7,789.68)</u>	<u>(2,076,031.83)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	46,454.98				46,454.98
Federal Sources	2,003,362.45				2,003,362.45
Operating Subsidies and Transfers to Other Funds		74,000.00			74,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>2,064,817.43</u>	<u>74,000.00</u>	<u>-</u>	<u>-</u>	<u>2,138,817.43</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	18,518.64	16,835.22	1,261.26	535.11	37,150.23
Net Increase (Decrease) in Cash and Cash Equivalents	(80,017.22)	(121,163.90)	844.00	(7,254.57)	(207,591.69)
Cash and Cash Equivalents -- July 1	1,070,156.54	1,093,531.13	73,046.12	55,525.27	2,292,259.06
Cash and Cash Equivalents -- June 30	<u>\$ 990,139.32</u>	<u>\$ 972,367.23</u>	<u>\$ 73,890.12</u>	<u>\$ 48,270.70</u>	<u>\$ 2,084,667.37</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)					
by Operating Activities:					
Operating Income (Loss)	\$ (2,366,438.29)	\$ (75,856.62)	\$ (417.26)	\$ (6,945.19)	\$ (2,449,657.36)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	26,243.98	16,281.47			42,525.45
(Increase) Decrease in Accounts Receivable, net	(23,861.10)	(4,003.00)			(27,864.10)
(Increase) Decrease in Inventories	4,470.55				4,470.55
Increase (Decrease) in Accounts Payable	(12.55)	95,801.10			95,788.55
Increase (Decrease) in Unearned Revenue	9,398.82				9,398.82
Increase (Decrease) in Interfund Payable	260,543.14			(844.49)	259,698.65
Increase (Decrease) in Compensated Absences	(10,392.39)				(10,392.39)
Total Adjustments	<u>266,390.45</u>	<u>108,079.57</u>	<u>-</u>	<u>(844.49)</u>	<u>373,625.53</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,100,047.84)</u>	<u>\$ 32,222.95</u>	<u>\$ (417.26)</u>	<u>\$ (7,789.68)</u>	<u>\$ (2,076,031.83)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 113,595.83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 113,595.83</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Galloway, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre K through eight at its six schools. The School District has an approximate enrollment at June 30, 2023 of 3,256.

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

Component Units

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

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

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

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

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

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

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

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

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

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

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

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, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

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 and subscription 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. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription 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 subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation 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 using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

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

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

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

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

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.

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:

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

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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, 2023, the School District's bank balances of \$15,896,816.42 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 15,670,454.45
Uninsured and uncollateralized	<u>226,361.97</u>
Total	<u>\$ 15,896,816.42</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022		\$ 4,484,361.71
Increased by:		
Transfer per June Resolution	\$ 225,000.00	
Interest Earnings	74,281.39	
		<u>299,281.39</u>
Ending Balance, June 30, 2023		<u>\$ 4,783,643.10</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted projects at June 30, 2023 is \$4,783,704.35.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 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:

Description	Governmental Funds			Proprietary Funds			Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Child Care Fund	Total Business-Type Activities	
Federal Awards		\$ 1,823,386.65	\$ 1,823,386.65	\$ 107,777.12		\$ 107,777.12	\$ 1,931,163.77
State Awards	\$ 1,134,278.65		1,134,278.65	3,194.53		3,194.53	1,137,473.18
Other	396,554.00		396,554.00	23,890.45	\$ 8,644.99	32,535.44	429,089.44
	<u>\$ 1,530,832.65</u>	<u>\$ 1,823,386.65</u>	<u>\$ 3,354,219.30</u>	<u>\$ 134,862.10</u>	<u>\$ 8,644.99</u>	<u>\$ 143,507.09</u>	<u>\$ 3,497,726.39</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2023 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	\$ 12,963.61
Supplies	<u>10,697.39</u>
	<u>\$ 23,661.00</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Balance July 01, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital Assets, not being Depreciated: and Amortized				
Land	\$ 3,471,768.96		\$ (15,064.65)	\$ 3,456,704.31
Construction in Progress	<u>3,478,834.98</u>	<u>\$ 1,303,176.40</u>	<u>(1,281,587.19)</u>	<u>3,500,424.19</u>
Total Capital Assets, not being Depreciated and Amortized	<u>6,950,603.94</u>	<u>1,303,176.40</u>	<u>(1,296,651.84)</u>	<u>6,957,128.50</u>
Capital Assets, being Depreciated and Amortized:				
Furniture, Fixtures and Equipment	2,759,879.25	7,700.82		2,767,580.07
Leased Assets - Equipment	623,402.62			623,402.62
Buildings and Improvements	61,807,426.01		1,281,587.19	63,089,013.20
Land Improvements	<u>482,401.99</u>	<u>160,000.00</u>		<u>642,401.99</u>
Total Capital Assets, being Depreciated and Amortized	<u>65,673,109.87</u>	<u>167,700.82</u>	<u>1,281,587.19</u>	<u>67,122,397.88</u>
Total Capital Assets, Cost	<u>72,623,713.81</u>	<u>1,470,877.22</u>	<u>(15,064.65)</u>	<u>74,079,526.38</u>
Less Accumulated Depreciation and Amortization for:				
Furniture, Fixtures and Equipment	(2,065,045.08)	(167,802.46)	9,771.00	(2,223,076.54)
Leased Assets - Equipment	(124,680.52)	(124,680.52)	0.01	(249,361.03)
Buildings and Improvements	(41,788,416.47)	(1,958,082.55)	(9,770.99)	(43,756,270.01)
Land Improvements	<u>(316,250.55)</u>	<u>(38,313.64)</u>		<u>(354,564.19)</u>
Total Accumulated Depreciation and Amortization	<u>(44,294,392.62)</u>	<u>(2,288,879.17)</u>	<u>0.02</u>	<u>(46,583,271.77)</u>
Total Capital Assets, being Depreciated, Net and Amortized, Net	<u>21,378,717.25</u>	<u>(2,121,178.35)</u>	<u>1,281,587.21</u>	<u>20,539,126.11</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,329,321.19</u>	<u>\$ (818,001.95)</u>	<u>\$ (15,064.63)</u>	<u>\$ 27,496,254.61</u>
	<u>Balance July 01, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2023</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 792,237.07	\$ 307,527.52		\$ 1,099,764.59
Less Accumulated Depreciation for: Furniture, Fixtures and Equipment	<u>(656,203.48)</u>	<u>\$ (42,525.45)</u>		<u>(698,728.93)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 136,033.59</u>	<u>\$ 265,002.07</u>	<u>-</u>	<u>\$ 401,035.66</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:		
Instruction		\$ 1,852,948.45
Support Service Instructional Staff		6,482.26
School Administration		168,240.12
Plant Operations and Maintenance		257,165.69
Unallocated		<u>4,042.65</u>
Total Depreciation and Amortization Expense - Governmental Activities		<u>\$ 2,288,879.17</u>
Business-Type Activities:		
Food Service Fund		\$ 26,243.98
Childcare Fund		<u>16,281.47</u>
Total Depreciation and Amortization Expense - Business Activities		<u>\$ 42,525.45</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

Governmental Activities:	Balance July 01, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 338,000.00		\$ (169,000.00)	\$ 169,000.00	\$ 169,000.00
Adjusted by:					
Bond Premiums	7,142.86		(3,571.43)	3,571.43	
Total Bonds Payable	<u>345,142.86</u>	<u>-</u>	<u>(172,571.43)</u>	<u>172,571.43</u>	<u>169,000.00</u>
Other Liabilities:					
Net Pension Liability	12,352,750.00	\$ 8,459,382.00	(4,960,543.00)	15,851,589.00	
Lease Liability	468,998.29		(323,461.11)	145,537.18	145,537.18
Financed Purchases	30,121.20	41,134.00	(50,688.20)	20,567.00	20,567.00
Compensated Absences	2,016,176.80	326,906.03	(403,235.36)	1,939,847.47	387,969.49
Total Other Liabilities	<u>14,868,046.29</u>	<u>8,827,422.03</u>	<u>(5,737,927.67)</u>	<u>17,957,540.65</u>	<u>554,073.67</u>
Governmental Activities Long-Term Liabilities	<u>\$ 15,213,189.15</u>	<u>\$ 8,827,422.03</u>	<u>\$ (5,910,499.10)</u>	<u>\$ 18,130,112.08</u>	<u>\$ 723,073.67</u>

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

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for business-type activities:

Business-Type Activities:	Balance July 01, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
Other Liabilities:					
Compensated Absences	\$ 161,654.31	\$ 32,330.86	\$ (42,723.25)	\$ 151,261.92	\$ 30,252.38

Compensated absences are liquidated by the food service enterprise fund.

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

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

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 169,000.00	\$ 8,027.50	\$ 177,027.50

Bonds Authorized but not Issued - As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

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

The School District is leasing computer equipment totaling \$246,532.28 under financed purchases leases for the general government. All financed purchases leases are for terms of five years. Financed purchase leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,567.00	\$ 2,176.00	\$ 22,743.00

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

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

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

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

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

The School District leased twenty (20) copiers beginning on May 1, 2019 for a term of five years at a fixed interest rate of 2.50%. This lease is not renewable and the School District will not acquire the copiers at the end of the five years

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 145,537.18</u>	<u>\$ 1,672.82</u>	<u>\$ 147,210.00</u>

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

Note 8: PENSION PLANS

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

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

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

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

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

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

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

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

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

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

Teachers' Pension and Annuity Fund (Cont'd) - 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.

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 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

Teachers' Pension and Annuity Fund (Cont'd) - 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, 2023 was 35.18% 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, 2023 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$10,346,864.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$2,224,141.95.

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 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 17.12% 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, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$1,324,572.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$627,630.20.

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

Public Employees' Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was 0.00% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$0.00.

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

For the fiscal year ended June 30, 2023, employee contributions totaled \$62,208.74, and the School District recognized pension expense, which equaled the required contributions, of \$45,802.08. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2023, 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:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	<u>127,552,773.00</u>
	<u>\$ 127,552,773.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 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, 2022 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 .2472220510%, which was a decrease of .0031012333% from its proportion measured as of June 30, 2021.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$3,432,801.00. 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, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$15,851,589 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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, 2022 measurement date, the School District's proportion was .1050373956%, which was an increase of .0007639705% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of \$632,356.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$0.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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

Deferred Outflows and Inflows of Resources - At June 30, 2023, 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	\$ 114,409.00	\$ 100,893.00
Changes of Assumptions	49,113.00	2,373,610.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	656,083.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	518,963.00	7,139.00
Contributions Subsequent to the Measurement Date	<u>1,395,102.00</u>	<u>-</u>
	<u>\$ 2,733,670.00</u>	<u>\$ 2,481,642.00</u>

Deferred outflows of resources in the amount of \$1,395,102.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (1,061,951.00)
2025	(575,962.00)
2026	(273,795.00)
2027	769,101.00
2028	<u>(467.00)</u>
	<u>\$ (1,143,074.00)</u>

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Actuarial Assumptions

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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.

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, 2022 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, 2022 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022, 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, 2022 (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:

	<u>TPAF</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	<u>149,558,337.00</u>	<u>127,552,773.00</u>	<u>109,015,851.00</u>
	<u>\$ 149,558,337.00</u>	<u>\$ 127,552,773.00</u>	<u>\$ 109,015,851.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 20,364,648.00</u>	<u>\$ 15,851,589.00</u>	<u>\$ 12,010,794.00</u>

Pension Plan Fiduciary Net Position

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

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

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

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

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

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

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

Employees Covered by Benefit Terms - At June 30, 2022, 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	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,817</u>

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$137,329,925.00. 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, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .2711540292%, which was an increase of .0040612479% from its proportion measured as of June 30, 2021.

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, 2021, which was rolled forward to June 30, 2022, 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	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

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

Experience Studies - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2022 measurement date was 3.54%. 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, 2022		\$ 160,276,104.00
Changes for the Year:		
Service Cost	\$ 7,263,242.00	
Interest Cost	3,639,395.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	6,480,449.00	
Changes in Assumptions	(36,839,985.00)	
Member Contributions	115,648.00	
Gross Benefit Payments	(3,604,928.00)	
Net Changes		(22,946,179.00)
Balance at June 30, 2023		\$ 137,329,925.00

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

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, 2022, associated with the School District, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 161,416,881.00	\$ 137,329,925.00	\$ 118,025,434.00

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, 2022, 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 Employer	\$ 113,511,577.00	\$ 137,329,925.00	\$ 168,616,771.00

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, 2023, the School District recognized \$5,249,586.00 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, 2022 measurement date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 24,518,839.00	\$ 41,928,414.00
Changes of Assumptions	23,768,333.00	46,739,604.00
Changes in Proportion	<u>8,554,458.00</u>	<u>627,042.00</u>
	<u>\$ 56,841,630.00</u>	<u>\$ 89,295,060.00</u>

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

Fiscal Year Ending June 30,	
2024	\$ (5,650,231.00)
2025	(5,650,231.00)
2026	(5,650,231.00)
2027	(4,716,982.00)
2028	(2,315,021.00)
Thereafter	<u>(8,470,734.00)</u>
	<u>\$ (32,453,430.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$10,041,870.00, \$139,320.00, \$2,674,574.00, and \$3,295.00, respectively.

Note 11: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
					<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2023	\$ 79,801.27	-	\$ 4,819.30	\$ 75,506.50	\$ 135,714.31	\$ 185,715.84
2022	66,812.96	-	405.12	916.38	131,419.54	180,896.54
2021	66,812.96	-	4,863.52	137,199.44	65,522.96	180,491.42

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

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

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

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

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

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

Note 12: DEFERRED COMPENSATION

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

Lincoln Investment Planning
Equitable
Siracusa
AIG / VALIC

Note 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,939,847.47 and \$151,261.92, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 2,121,685.53	\$ 844.49
Special Revenue		1,469,381.18
Enterprise Funds	844.49	652,304.35
	<u>\$ 2,122,530.02</u>	<u>\$ 2,122,530.02</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

<u>Transfer Out:</u>	<u>Transfer In: Special Revenue Fund</u>
General Fund:	
Preschool Education Aid	<u>\$ 472,325.00</u>

The \$472,325.00 transfer from the general fund to the special revenue fund is the local funding of the preschool education aid grant.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: COMMITMENTS

The School District had one construction project ongoing as of the fiscal year ended June 30, 2023 that is to continue into the subsequent fiscal year. This project, which is related to the capital projects fund, is as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Fraytak Veisz Hopkins Duthie, P.C. New District Maintenance/Storage Building	12/10/2019	\$ <u>1,100.00</u>

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$840,643.84 in the general fund and \$281,524.00 in the special revenue fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,122,167.84 is less than the June state aid payments.

Note 19: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$2,763,247.08. Additionally, \$1,958,322.18 of excess fund balance generated during 2021-2022 has been restricted and designated for utilization in the 2023-2024 budget.

For Capital Reserve Account - As of June 30, 2023, the balance in the capital reserve account is \$4,783,643.10. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2023, the balance in the maintenance reserve account is \$3,106,773.20. Of this amount, \$303,860.00 has been designated for litigation in the 2023-2024 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Emergency Reserve - As of June 30, 2023, the balance in the emergency reserve is \$654,039.25. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 1). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$185,715.84 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$113,629.12.

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

Capital Projects Fund - The District authorized several projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2023, the restricted fund balance amount was \$519.22.

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 \$0.17 of debt service fund balance at June 30, 2023.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024, \$1,824,782.82 of general fund balance at June 30, 2023.

Other Purposes - As of June 30, 2023, the School District had \$382,159.99 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, 2023, the general fund balance deficit of \$840,643.84 was unassigned.

Special Revenue Fund - As of June 30, 2023, the fund balance of the special revenue fund was a deficit of \$281,524.00, 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 \$281,524 is less than the last state aid payment.

Note 20: TAX ABATEMENTS

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

The Township of Galloway has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$28,972,600.00. Based on the School District's 2022 certified tax rate of \$1.273, abated taxes totaled \$368,821.20.

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 2024.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 35,712,752.00		\$ 35,712,752.00	\$ 35,712,752.00	
Tuition from Other LEA's Within the State	475,000.00		475,000.00	675,282.45	\$ 200,282.45
Interest Earned on Emergency Reserve Funds	15.00		15.00	10,657.33	10,642.33
Interest Earned on Maintenance Reserve Funds	185.00		185.00	40,662.38	40,477.38
Interest Earned on Capital Reserve Funds	300.00		300.00	74,281.39	73,981.39
Unrestricted Miscellaneous Revenues	225,000.00		225,000.00	365,638.46	140,638.46
Total - Local Sources	36,413,252.00	-	36,413,252.00	36,879,274.01	466,022.01
State Sources:					
Categorical Transportation Aid	1,088,704.00		1,088,704.00	1,088,704.00	
Special Education Aid	1,996,732.00		1,996,732.00	1,996,732.00	
Equalization Aid	22,633,331.00		22,633,331.00	22,633,331.00	
Categorical Security Aid	739,882.00		739,882.00	739,882.00	
Extraordinary Aid	575,000.00		575,000.00	963,569.00	388,569.00
Non-Public Transportation Aid				48,390.00	48,390.00
Homeless Aid				19,140.00	19,140.00
Securing Our Children's Future Bond Act (Alyssa's Law)				170,923.00	170,923.00
Lead Water Testing for Schools Aid				10,404.00	10,404.00
On-behalf TPAF Pension Contributions (non-budgeted)				10,041,870.00	10,041,870.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				139,320.00	139,320.00
On-behalf TPAF Medical Contributions (non-budgeted)				2,674,574.00	2,674,574.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,295.00	3,295.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,138,956.38	2,138,956.38
Total - State Sources	27,033,649.00	-	27,033,649.00	42,669,090.38	15,635,441.38
Federal Sources:					
SEMI Medicaid Reimbursement	168,901.00		168,901.00	256,633.36	87,732.36
Medicaid Administrative Claiming Aid				48,986.32	48,986.32
FFRCA/SEMI				29,569.32	29,569.32
Total - Federal Sources	168,901.00	-	168,901.00	368,200.57	199,299.57
Total Revenues	63,615,802.00	-	63,615,802.00	79,916,564.96	16,300,762.96

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Local Contribution - Trans to Special Rev. - Inclusion	\$ 472,325.00		\$ 472,325.00		\$ 472,325.00
Kindergarten	1,128,295.00	\$ (1,485.46)	1,126,809.54	\$ 1,126,809.54	
Grades 1-5	8,603,196.00	(194,978.23)	8,408,217.77	8,408,217.77	
Grades 6-8	5,130,679.00	194,481.52	5,325,160.52	5,325,056.52	104.00
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	(36,837.01)	13,162.99	13,162.99	
Purchased Professional - Educational Services	5,000.00	(3,826.64)	1,173.36	1,173.36	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	784,456.00	6,047.67	790,503.67	790,503.67	
Purchased Professional - Educational Services	14,850.00	142.06	14,992.06	14,992.06	
Other Purchased Services	198,325.00	(12,998.68)	185,326.32	185,326.32	
General Supplies	561,641.58	(72,503.01)	489,138.57	488,804.19	334.38
Total Regular Programs- Instruction	16,948,767.58	(121,957.78)	16,826,809.80	16,354,046.42	472,763.38
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	386,795.00	(53,509.17)	333,285.83	333,120.50	165.33
Other Salaries for Instruction	231,177.00	(32,947.00)	198,230.00	198,230.00	
General Supplies	3,650.00		3,650.00	3,641.54	8.46
Total Learning and / or Language Disabilities	621,622.00	(86,456.17)	535,165.83	534,992.04	173.79
Auditory Impairments:					
Salaries of Teachers	83,354.00	2,365.30	85,719.30	85,719.30	
Other Salaries for Instruction	83,324.00	(2,365.30)	80,958.70	78,012.48	2,946.22
General Supplies	400.00		400.00	344.01	55.99
Total Auditory Impairments	167,078.00	-	167,078.00	164,075.79	3,002.21

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 142,260.00	\$ 62,016.25	\$ 204,276.25	\$ 204,276.25	
Other Salaries for Instruction	108,636.00	78,470.90	187,106.90	187,106.90	
General Supplies	2,775.00		2,775.00	2,450.78	\$ 324.22
Total Behavioral Disabilities	253,671.00	140,487.15	394,158.15	393,833.93	324.22
Multiple Disabilities:					
Salaries of Teachers	618,840.00	104,371.17	723,211.17	723,211.17	
Other Salaries for Instruction	550,997.00	23,669.95	574,666.95	574,666.95	
General Supplies	14,500.00	(151.21)	14,348.79	14,348.79	
Total Multiple Disabilities	1,184,337.00	127,889.91	1,312,226.91	1,312,226.91	-
Resource Room / Resource Center:					
Salaries of Teachers	3,516,127.00	302,196.31	3,818,323.31	3,818,323.31	
Other Salaries for Instruction	346,999.00	275,895.39	622,894.39	622,894.39	
General Supplies	11,000.00	(203.15)	10,796.85	10,796.85	
Total Resource Room / Resource Center	3,874,126.00	577,888.55	4,452,014.55	4,452,014.55	-
Autism					
Salaries of Teachers	234,893.00	69,794.97	304,687.97	304,687.97	
Other Salaries for Instruction	521,832.00	83,982.50	605,814.50	605,814.50	
General Supplies	8,450.00		8,450.00	8,388.47	61.53
Total Autism	765,175.00	153,777.47	918,952.47	918,890.94	61.53
Preschool Disabilities - Full Time:					
Salaries of Teachers	374,912.00	18,913.15	393,825.15	385,054.78	8,770.37
Other Salaries for Instruction	436,587.00	48,364.15	484,951.15	480,700.10	4,251.05
General Supplies	2,200.00		2,200.00	1,357.41	842.59
Total Preschool Disabilities - Full Time	813,699.00	67,277.30	880,976.30	867,112.29	13,864.01
Total Special Education - Instruction	7,679,708.00	980,864.21	8,660,572.21	8,643,146.45	17,425.76

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General FundBudgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 2,057,690.00	\$ (49,500.00)	\$ 2,008,190.00	\$ 2,007,834.56	\$ 355.44
General Supplies	6,300.00		6,300.00	3,523.70	2,776.30
Total Basic Skills / Remedial - Instruction	2,063,990.00	(49,500.00)	2,014,490.00	2,011,358.26	3,131.74
Bilingual Education - Instruction:					
Salaries of Teachers	693,306.00	9,550.00	702,856.00	702,856.00	
General Supplies	3,300.00	(1,155.07)	2,144.93	2,144.93	
Textbooks	590.00	(490.00)	100.00	100.00	
Total Bilingual Education - Instruction	697,196.00	7,904.93	705,100.93	705,100.93	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	55,462.00	0.50	55,462.50	47,224.29	8,238.21
Supplies and Materials	15,670.00		15,670.00	4,336.91	11,333.09
Total School Sponsored Cocurricular Activities - Instruction	71,132.00	0.50	71,132.50	51,561.20	19,571.30
School Sponsored Athletics - Instruction:					
Salaries	34,615.00		34,615.00	27,440.00	7,175.00
Purchased Services	14,450.00		14,450.00	7,581.00	6,869.00
Supplies and Materials	7,595.00		7,595.00	5,355.07	2,239.93
Total School Sponsored Athletics - Instruction	56,660.00	-	56,660.00	40,376.07	16,283.93
Total Instruction	27,517,453.58	817,311.86	28,334,765.44	27,805,589.33	529,176.11

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 201,500.00	\$ (10,712.77)	\$ 190,787.23	\$ 190,787.23	
Tuition to CSSD and Regional Day Schools	442,715.00	37,358.76	480,073.76	480,073.76	
Tuition to Private Schools for the Disabled - Within State	500,002.00	56,786.14	556,788.14	556,788.14	
Total Undistributed Expenditures - Instruction	1,144,217.00	83,432.13	1,227,649.13	1,227,649.13	-
Undistributed Expenditures - Attendance and Social Work:					
Salaries	29,705.00	0.20	29,705.20	21,410.94	\$ 8,294.26
Other Purchased Services	2,500.00		2,500.00	1,713.15	786.85
Supplies and Materials	500.00		500.00		500.00
Total Undistributed Expenditures - Attendance and Social Work	32,705.00	0.20	32,705.20	23,124.09	9,581.11
Undistributed Expenditures - Health Services:					
Salaries	525,714.00		525,714.00	418,660.89	107,053.11
Purchased Professional and Technical Services	11,920.00	1,279.95	13,199.95	13,199.95	
Other Purchased Services	500.00	(47.45)	452.55		452.55
Supplies and Materials	25,800.00	(1,232.50)	24,567.50	8,978.47	15,589.03
Total Undistributed Expenditures - Health Services	563,934.00	-	563,934.00	440,839.31	123,094.69
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	953,573.00	(280,553.40)	673,019.60	667,723.53	5,296.07
Purchased Professional - Educational Services	23,950.00	22,559.69	46,509.69	36,216.98	10,292.71
Other Purchased Services		500.00	500.00	84.60	415.40
Supplies and Materials	6,000.00		6,000.00	5,940.60	59.40
Total Undistributed Expenditures - Other Support Services - Students - Related Services	983,523.00	(257,493.71)	726,029.29	709,965.71	16,063.58

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Extra Services:					
Salaries	\$ 349,614.00	\$ (211,665.12)	\$ 137,948.88	\$ 136,891.18	\$ 1,057.70
Purchased Professional - Educational Services	90,000.00	289,434.43	379,434.43	254,302.37	125,132.06
Supplies and Materials	6,000.00		6,000.00	5,264.00	736.00
Total Undistributed Expenditures - Other Support Services -					
Students - Extra Services	445,614.00	77,769.31	523,383.31	396,457.55	126,925.76
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	776,441.00	8,667.81	785,108.81	785,108.81	
Salaries of Secretarial and Clerical Assistants	49,053.00	7,562.64	56,615.64	56,615.64	
Other Purchased Professional and Technical Services	5,000.00		5,000.00	565.20	4,434.80
Other Purchased Services (400-500 series)	1,500.00		1,500.00	254.22	1,245.78
Supplies and Materials	8,810.00		8,810.00	7,123.70	1,686.30
Other Objects	850.00		850.00		850.00
Total Undistributed Expenditures - Other Support Services -					
Students - Regular	841,654.00	16,230.45	857,884.45	849,667.57	8,216.88
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	1,818,340.00	151,513.93	1,969,853.93	1,969,853.93	
Salaries of Secretarial and Clerical Assistants	246,667.00	(13,215.04)	233,451.96	233,451.96	
Purchased Professional - Educational Services	18,759.75	(79.77)	18,679.98	18,679.98	
Other Purchased Professional and Technical Services	60,705.25	27,454.65	88,159.90	88,159.90	
Other Purchased Services (400-500 series)	7,500.00	(6,089.00)	1,411.00	1,411.00	
Supplies and Materials	30,500.00	(6,078.11)	24,421.89	24,421.89	
Other Objects	1,500.00	(461.00)	1,039.00	1,039.00	
Total Undistributed Expenditures - Other Support Services -					
Students - Special	2,183,972.00	153,045.66	2,337,017.66	2,337,017.66	-

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 268,327.00	\$ (3,083.22)	\$ 265,243.78	\$ 264,337.71	\$ 906.07
Salaries of Secretarial and Clerical Assistants	55,806.00		55,806.00	52,733.42	3,072.58
Salaries of Facilitators, Math & Literacy Coaches	355,866.00	3,082.86	358,948.86	358,948.86	
Purchased Professional - Educational Services	91,590.00		91,590.00	90,255.01	1,334.99
Supplies and Materials	372,377.00	7,795.20	380,172.20	353,679.64	26,492.56
Other Objects	15,050.00	(7,794.99)	7,255.01	2,535.00	4,720.01
Total Undistributed Expenditures - Improvement of Instruction Services	1,159,016.00	(0.15)	1,159,015.85	1,122,489.64	36,526.21
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	412,846.00	(83,150.81)	329,695.19	329,695.19	
Purchased Professional and Technical Services	8,320.00		8,320.00	7,763.90	556.10
Other Purchased Services (400-500 series)	4,300.00	(1,308.17)	2,991.83	119.72	2,872.11
Supplies and Materials	32,851.19	(4,695.02)	28,156.17	26,519.59	1,636.58
Total Undistributed Expenditures - Educational Media Services / School Library	458,317.19	(89,154.00)	369,163.19	364,098.40	5,064.79
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	70,541.00	0.49	70,541.49	70,199.04	342.45

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 358,650.00	\$ 12,526.68	\$ 371,176.68	\$ 370,968.68	\$ 208.00
Legal Services	70,000.00	3,744.56	73,744.56	73,744.56	
Audit Fees	54,500.00		54,500.00	47,300.00	7,200.00
Architectural/Engineering Services	15,000.00	(3,744.56)	11,255.44	6,500.00	4,755.44
Other Purchased Professional Services	28,750.00		28,750.00	25,486.53	3,263.47
Communications / Telephone	408,319.00	0.16	408,319.16	203,847.75	204,471.41
BOE Other Purchased Services	14,000.00	100.00	14,100.00	9,945.92	4,154.08
Other Purchased Services (400-500)	130,669.00	(100.00)	130,569.00	125,095.69	5,473.31
General Supplies	8,000.00		8,000.00	2,715.80	5,284.20
Miscellaneous Expenditures	10,450.00		10,450.00	7,443.81	3,006.19
BOE Membership Dues and Fees	25,000.00		25,000.00	23,433.95	1,566.05
Total Undistributed Expenditures - Support Services - General Administration	1,123,338.00	12,526.84	1,135,864.84	896,482.69	239,382.15
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	1,424,342.00	(101,839.39)	1,322,502.61	1,300,144.80	22,357.81
Salaries of Secretarial and Clerical Assistants	667,650.00	(6,655.59)	660,994.41	595,875.81	65,118.60
Supplies and Materials	72,650.00		72,650.00	36,261.20	36,388.80
Other Objects	8,500.00		8,500.00	7,605.00	895.00
Total Undistributed Expenditures - Support Services - School Administration	2,173,142.00	(102,039.28)	2,071,102.72	1,946,342.51	124,760.21
Undistributed Expenditures - Central Services:					
Salaries	533,355.00	7,309.12	540,664.12	538,006.30	2,657.82
Purchased Technical Services	20,068.00		20,068.00	18,830.64	1,237.36
Miscellaneous Purchased Services (400-500 series)	15,500.00	(1,000.00)	14,500.00	12,042.53	2,457.47
Supplies and Materials	10,600.00	(100.00)	10,500.00	9,657.27	842.73
Miscellaneous Expenditures	4,500.00	1,794.48	6,294.48	6,294.48	
Total Undistributed Expenditures - Central Services	584,023.00	8,003.60	592,026.60	584,831.22	7,195.38

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administration of Information Technology:					
Salaries	\$ 460,990.00	\$ (8,999.59)	\$ 451,990.41	\$ 451,306.11	\$ 684.30
Purchased Technical Services	50,000.00	(11,529.51)	38,470.49	27,501.70	10,968.79
Other Purchased Services (400-500 series)	850.00		850.00	566.86	283.14
Other Objects	2,500.00		2,500.00		2,500.00
Total Undistributed Expenditures - Administration of Information Technology	514,340.00	(20,529.10)	493,810.90	479,374.67	14,436.23
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	474,175.00	(4,475.85)	469,699.15	469,699.15	
Cleaning, Repair and Maintenance Services	654,365.51	262,117.00	916,482.51	355,615.03	560,867.48
Lead Testing of Drinking Water	2,919.00		2,919.00		2,919.00
General Supplies	145,281.07	(9,429.14)	135,851.93	135,523.55	328.38
Other Objects	9,600.00		9,600.00	6,310.85	3,289.15
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,286,340.58	248,212.01	1,534,552.59	967,148.58	567,404.01
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,773,901.00	(22,536.70)	1,751,364.30	1,745,367.35	5,996.95
Purchased Professional and Technical Services	2,200.00		2,200.00	2,200.00	
Cleaning, Repair and Maintenance Services	88,450.00	6,250.00	94,700.00	91,577.32	3,122.68
Other Purchased Property Services	131,000.00	14,995.15	145,995.15	145,880.93	114.22
Insurance	196,501.00		196,501.00	196,501.00	
General Supplies	201,473.99	(3,724.61)	197,749.38	196,077.95	1,671.43
Energy (Heat)	188,000.00	71,003.95	259,003.95	259,003.95	
Energy (Electricity)	884,500.00	22,472.67	906,972.67	906,972.67	
Energy (Gasoline)	25,000.00	(7,467.96)	17,532.04	17,532.04	
Other Objects	10,500.00		10,500.00	10,480.00	20.00
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,501,525.99	80,992.50	3,582,518.49	3,571,593.21	10,925.28

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	\$ 29,700.00	\$ 591.12	\$ 30,291.12	\$ 30,291.12	
Cleaning, Repair, and Maintenance Services	134,350.00	52,618.22	186,968.22	122,604.22	\$ 64,364.00
General Supplies	41,268.56	(13,043.36)	28,225.20	28,225.20	
Total Undistributed Expenditures - Care & Upkeep of Grounds	205,318.56	40,165.98	245,484.54	181,120.54	64,364.00
Undistributed Expenditures - Security					
Salaries	47,758.00	(0.40)	47,757.60	47,757.60	
Purchased Professional and Technical services	178,000.00	15,431.58	193,431.58	192,201.58	1,230.00
Cleaning, Repair, and Maintenance Services	34,850.00	(9,449.20)	25,400.80	25,268.26	132.54
General Supplies	15,300.00	(5,982.42)	9,317.58	4,341.96	4,975.62
Total Undistributed Expenditures - Security	275,908.00	(0.44)	275,907.56	269,569.40	6,338.16
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)-Reg.	115,250.00	0.08	115,250.08	109,983.52	5,266.56
Other Purchased Prof. and Technical Services	6,050.00	(4,600.00)	1,450.00	1,450.00	
Contracted Services - Aid in Lieu of Payments - Nonpublic School	82,000.00	9,469.00	91,469.00	88,584.44	2,884.56
Contracted Services - Aid in Lieu of Payments - Charter School	18,000.00	(5,492.19)	12,507.81	12,507.81	
Contracted Services - Aid in Lieu of Payments - Choice School	20,000.00	440.00	20,440.00	20,440.00	
Contracted Services - (Between Home and School) - Vendors	2,000.00	(2,000.00)			
Contracted Services - (Other than Between Home and School) - Vendors	94,000.00	22,025.86	116,025.86	116,025.86	
Contracted Services - (Between Home and School) - Joint Agreements	3,013,022.00	1,128,946.65	4,141,968.65	4,136,720.49	5,248.16
Contracted Services (Special Education Students) - Joint Agreements	2,063,540.00	(880,065.75)	1,183,474.25	1,183,474.25	
General Supplies	4,850.00	(73.00)	4,777.00	285.00	4,492.00
Total Undistributed Expenditures - Student Transportation Services	5,418,712.00	268,650.65	5,687,362.65	5,669,471.37	17,891.28
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	800,000.00	6,729.75	806,729.75	806,729.75	
Other Retirement Contributions - PERS	1,363,251.00	21,682.62	1,384,933.62	1,384,933.62	
Other Retirement Contributions - Regular	40,000.00	5,802.08	45,802.08	45,802.08	
Unemployment Compensation	10,000.00		10,000.00		10,000.00
Workmen's Compensation	411,270.00		411,270.00	392,140.00	19,130.00
Health Benefits	12,390,669.00	(1,065,701.19)	11,324,967.81	9,534,200.20	1,790,767.61
Tuition Reimbursement	125,000.00		125,000.00	113,217.99	11,782.01
Other Employee Benefits	910,000.00	15,999.68	925,999.68	894,168.17	31,831.51
Unused Sick Payment to Terminated/Retired Staff	215,000.00	(18,530.01)	196,469.99	196,469.99	
Total Unallocated Benefits	16,265,190.00	(1,034,017.07)	15,231,172.93	13,367,661.80	1,863,511.13

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TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
General FundBudgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 10,041,870.00	\$ (10,041,870.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				139,320.00	(139,320.00)
On-behalf TPAF Medical Contributions (non-budgeted)				2,674,574.00	(2,674,574.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,295.00	(3,295.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,138,956.38	(2,138,956.38)
Total TPAF Contributions	-	-	-	14,998,015.38	(14,998,015.38)
Total Undistributed Expenditures	\$ 39,231,331.32	\$ (514,203.93)	\$ 38,717,127.39	50,473,119.47	(11,755,992.08)
Interest Earned on Maintenance Reserve	185.00	-	185.00	-	185.00
Interest Earned on Current Expense Emergency Reserve	15.00	-	15.00	-	15.00
Total Current Expense	66,748,984.90	303,107.93	67,052,092.83	78,278,708.80	(11,226,615.97)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve	300.00	-	300.00	-	300.00
Equipment:					
Undistributed Expenditures - Custodial Services	7,700.82	-	7,700.82	7,700.82	-
Facility Acquisitions and Construction Services:					
Assessment for Debt Service on SDA Funding	44,186.00	-	44,186.00	44,186.00	-
Total Capital Outlay	52,186.82	-	52,186.82	51,886.82	300.00
Transfer of Funds to Charter School	922,323.00	(40,575.53)	881,747.47	856,903.00	24,844.47

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Total Expenditures	\$ 67,723,494.72	\$ 262,532.40	\$ 67,986,027.12	\$ 79,187,498.62	\$ (11,201,471.50)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,107,692.72)	(262,532.40)	(4,370,225.12)	729,066.34	5,099,291.46
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	-	-	-	(472,325.00)	(472,325.00)
Total Other Financing Sources (Uses):	-	-	-	(472,325.00)	(472,325.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,107,692.72)	(262,532.40)	(4,370,225.12)	256,741.34	4,626,966.46
Fund Balances, July 1	17,132,137.28	-	17,132,137.28	17,132,137.28	-
Fund Balances, June 30	\$ 13,024,444.56	\$ (262,532.40)	\$ 12,761,912.16	\$ 17,388,878.62	\$ 4,626,966.46
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 4,783,643.10	
Maintenance Reserve				2,802,913.20	
Maintenance Reserve -- Designated for Subsequent Year's Expenditures				303,860.00	
Emergency Reserve				654,039.25	
Excess Surplus				2,763,247.08	
Excess Surplus -- Designated for Subsequent Year's Expenditures				1,958,322.18	
Unemployment Compensation				185,715.84	
Assigned Fund Balance:					
Other Purposes				382,159.99	
Designated for Subsequent Year's Expenditures				1,824,782.82	
Unassigned Fund Balance				1,730,195.16	
				17,388,878.62	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,570,839.00)	
				\$ 14,818,039.62	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Galloway Education Foundation		\$ 13,545.36	\$ 13,545.36	\$ 13,545.36	
Other Local Grants		15,153.28	15,153.28	63,729.05	\$ (48,575.77)
Student Activities	\$ 50,000.00	10,000.00	60,000.00		60,000.00
Total - Local Sources	<u>50,000.00</u>	<u>38,698.64</u>	<u>88,698.64</u>	<u>77,274.41</u>	<u>11,424.23</u>
State Sources:					
Nonpublic Aid	275,000.00	225,876.00	500,876.00	489,773.02	11,102.98
Emergent Needs		73,953.00	73,953.00	73,629.66	323.34
School Climate Change Pilot			6,660.00	6,660.00	
Preschool Education Aid	3,287,565.00	98,356.00	3,385,921.00	2,913,596.00	472,325.00
Total - State Sources	<u>3,562,565.00</u>	<u>398,185.00</u>	<u>3,967,410.00</u>	<u>3,483,658.68</u>	<u>483,751.32</u>
Federal Sources:					
Title I, Part A	580,948.00	360,767.53	941,715.53	878,321.15	63,394.38
Title I, Part A, Distinguished Schools Program		15,000.00	15,000.00	14,948.82	51.18
Title II, Part A	104,888.00	41,155.00	146,043.00	125,619.71	20,423.29
Title III	23,208.00	4,944.00	28,152.00	25,964.22	2,187.78
Title III Immigrant		6,311.00	6,311.00	3,710.42	2,600.58
Title IV	64,757.00	38,557.00	103,314.00	54,900.25	48,413.75
I.D.E.A., Part B Basic	857,267.00	104,554.00	961,821.00	915,035.85	46,785.15
I.D.E.A., Part B, Preschool Incentive		44,668.00	44,668.00	37,179.26	7,488.74
Education Stabilization Fund III (I.D.E.A., Part B Basic)	94,218.00	8,581.01	102,799.01	102,799.01	
Education Stabilization Fund III (I.D.E.A., Part B, Preschool Incentive)	8,009.00	(7,707.00)	302.00	302.00	
Education Stabilization Fund II (CRRSA)		227,098.99	227,098.99	227,098.99	
Education Stabilization Fund II (Learning Acceleration)		77,967.74	77,967.74	77,967.74	
Education Stabilization Fund II (Mental Health)		16,373.22	16,373.22	16,373.22	
Education Stabilization Fund III (ARP)	2,459,746.00	591,729.22	3,051,475.22	1,765,575.80	1,285,899.42
Education Stabilization Fund III (Learning Coach)	161,360.00	160,171.73	321,531.73	101,577.30	219,954.43
Education Stabilization Fund III (Summer Learning Enrichment)	20,000.00	20,000.00	40,000.00		40,000.00
Education Stabilization Fund III (Comprehensive Beyond)	20,000.00	20,000.00	40,000.00	16,564.19	23,435.81
Education Stabilization Fund III (Mental Health)	22,500.00	22,500.00	45,000.00	7,610.87	37,389.13
Education Stabilization Fund III (Homeless II)	21,327.00	21,327.00	42,654.00	29,582.29	13,071.71
Total - Federal Sources	<u>4,438,228.00</u>	<u>1,773,998.44</u>	<u>6,212,226.44</u>	<u>4,401,131.09</u>	<u>1,811,095.35</u>
Total Revenues	<u>8,050,793.00</u>	<u>2,210,882.08</u>	<u>10,268,335.08</u>	<u>7,962,064.18</u>	<u>2,306,270.90</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,569,179.52	\$ 215,593.09	\$ 1,784,772.61	\$ 1,523,914.85	\$ 260,857.76
Other Salaries for Instruction	381,515.00	52,135.46	433,650.46	433,650.46	
Purchased Professional & Educational Services	149,133.03	24,831.66	173,964.69	144,480.89	29,483.80
Tuition	392,731.78	107,268.22	500,000.00	500,000.00	
General Supplies	1,077,677.76	436,532.46	1,514,210.22	1,356,091.86	158,118.36
Textbooks	21,778.14	17,887.86	39,666.00	37,007.87	2,658.13
Total Instruction	3,592,015.23	854,248.75	4,446,263.98	3,995,145.93	451,118.05
Support Services:					
Salaries of Program Directors	140,940.00	1,099.68	142,039.68	142,039.68	
Salaries of Other Professional Staff	74,930.00	(15,120.81)	59,809.19	59,809.19	
Salaries of Secretarial and Clerical Assistants	54,607.71	2,895.62	57,503.33	47,568.69	9,934.64
Other Salaries	555,495.29	628,596.97	1,184,092.26	503,617.77	680,474.49
Salaries of Community Parent Involvement Spec.	2,050.00	(317.50)	1,732.50	1,732.50	
Salaries of PEA Facilitator/Coach	55,000.00	(2,200.00)	52,800.00	52,800.00	
Personal Services - Employee Benefits	724,471.64	418,205.47	1,142,677.11	932,861.89	209,815.22
Purchased Professional & Technical Services	384,671.08	280,172.74	664,843.82	608,990.88	55,852.94
Purchased Educational Services - Contracted Pre-K	1,137,600.00	(182,562.10)	955,037.90	955,037.90	
Purchased Educational Services - Head Start	125,715.00		125,715.00	125,715.00	
Other Purchased Professional Services		89,373.96	89,373.96	89,373.96	
Cleaning, Repair and Maintenance Services		73,953.00	73,953.00	73,629.66	323.34
Rentals		21,000.00	21,000.00	21,000.00	
Miscellaneous Purchased Services	49,421.91	(35,002.55)	14,419.36		14,419.36
Supplies and Materials	322,618.65	130,726.73	453,345.38	218,512.92	234,832.46
Other Objects	3,000.00	3,000.00	6,000.00		6,000.00
Student Activities	50,000.00	10,000.00	60,000.00	52,751.59	7,248.41
Total Support Services	3,680,521.28	1,423,821.21	5,104,342.49	3,885,441.63	1,218,900.86
Capital Outlay:					
Instructional Equipment	111,604.79	(111,604.79)			
Non-Instructional Equipment		160,000.00	160,000.00	160,000.00	
Construction Services	666,651.70		557,728.61	384,801.40	172,927.21
Total Capital Outlay	778,256.49	48,395.21	717,728.61	544,801.40	172,927.21
Total Expenditures	8,050,793.00	2,326,465.17	10,268,335.08	8,425,388.96	1,842,946.12
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	-	-	-	472,325.00	(472,325.00)
Total Outflows	8,050,793.00	2,326,465.17	10,268,335.08	7,953,063.96	2,315,271.12
Excess (Deficiency) of Revenues Over (Under Expenditures)	-	\$ (115,583.09)	-	9,000.22	\$ (9,000.22)
Fund Balance, July 1				104,628.90	
Fund Balance, June 30				<u>\$ 113,629.12</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 113,629.12</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Preschool Education Aid Receipts Recognized on GAAP Basis				-	
Fiscal Year 2023 Last State Aid Payments not Recognized on GAAP Basis				<u>(281,524.00)</u>	
Fund Balance (Deficit) per Governmental Funds (GAAP)				<u>\$ (167,894.88)</u>	

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2023

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	\$ 79,916,564.96	\$ 7,962,064.18
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		170,767.96
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		(98,356.00)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	2,607,346.00	360,627.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2023.	<u>(2,570,839.00)</u>	<u>(281,524.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 79,953,071.96</u>	<u>\$ 8,113,579.14</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 79,187,498.62	\$ 8,425,388.96
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>170,767.96</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 79,187,498.62</u>	<u>\$ 8,596,156.92</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.1050373956%	0.1042734251%	0.1036871385%	0.1022143974%	0.1023504196%
School District's Proportionate Share of the Net Pension Liability	\$ 15,851,589.00	\$ 12,352,750.00	\$ 16,908,661.00	\$ 18,417,484.00	\$ 20,152,228.00
School District's Covered Payroll (Plan Measurement Period)	\$ 8,520,316.00	\$ 8,396,340.00	\$ 8,151,100.00	\$ 7,829,400.00	\$ 7,926,088.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.04%	147.12%	207.44%	235.23%	254.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
School District's Proportion of the Net Pension Liability	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportionate Share of the Net Pension Liability	0.0949936808%	0.0892962353%	0.0886435742%	0.0923125078%	0.0853225517%
School District's Covered Payroll (Plan Measurement Period)	\$ 22,113,010.00	\$ 26,446,984.00	\$ 19,898,706.00	\$ 17,283,426.00	\$ 16,306,835.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	\$ 7,217,892.00	\$ 6,641,884.00	\$ 6,596,172.00	\$ 6,937,600.00	\$ 6,409,972.00
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	306.36%	398.18%	301.67%	249.13%	254.40%
	48.10%	40.14%	47.93%	52.08%	48.72%

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

	Fiscal Year Ended June 30,				
	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,395,102.00	\$ 1,324,572.00	\$ 1,221,163.00	\$ 1,134,287.00	\$ 994,245.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,395,102.00)</u>	<u>(1,324,572.00)</u>	<u>(1,221,163.00)</u>	<u>(1,134,287.00)</u>	<u>(994,245.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 8,147,501.00	\$ 7,721,637.00	\$ 7,705,742.00	\$ 7,507,637.00	\$ 7,275,591.00
Contributions as a Percentage of School District's Covered Payroll	17.12%	17.15%	15.85%	15.11%	13.67%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,018,056.00	\$ 880,015.00	\$ 793,295.00	\$ 762,097.00	\$ 761,011.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,018,056.00)</u>	<u>(880,015.00)</u>	<u>(793,295.00)</u>	<u>(762,097.00)</u>	<u>(761,011.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 7,096,874.00	\$ 7,010,477.00	\$ 6,258,971.00	\$ 6,012,465.00	\$ 6,007,127.00
Contributions as a Percentage of School District's Covered Payroll	14.35%	12.55%	12.67%	12.68%	12.67%

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

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</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 School District's Net Pension Liability	<u>127,552,773.00</u>	<u>120,343,391.00</u>	<u>161,340,743.00</u>	<u>153,026,178.00</u>	<u>150,908,905.00</u>
	<u>\$ 127,552,773.00</u>	<u>\$ 120,343,391.00</u>	<u>\$ 161,340,743.00</u>	<u>\$ 153,026,178.00</u>	<u>\$ 150,908,905.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 33,222,940.00	\$ 32,908,096.00	\$ 32,587,872.00	\$ 31,359,172.00	\$ 31,219,912.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	383.93%	365.70%	495.09%	487.98%	483.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
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 School District's Net Pension Liability	<u>164,395,645.00</u>	<u>190,500,423.00</u>	<u>150,849,003.00</u>	<u>127,288,433.00</u>	<u>116,890,790.00</u>
	<u>\$ 164,395,645.00</u>	<u>\$ 190,500,423.00</u>	<u>\$ 150,849,003.00</u>	<u>\$ 127,288,433.00</u>	<u>\$ 116,890,790.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 29,366,556.00	\$ 29,721,712.00	\$ 29,022,944.00	\$ 28,075,876.00	\$ 27,482,672.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	559.81%	640.95%	519.76%	453.37%	425.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Required Supplementary Information - Part III
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.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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>
2022	7.00%	2017	4.25%
2021	7.00%	2106	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

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>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

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>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

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>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

	Measurement Date Ending June 30,					
	<u>2022</u>	<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	\$ 7,263,424.00	\$ 8,211,831.00	\$ 4,418,996.00	\$ 4,349,562.00	\$ 4,705,142.00	\$ 5,664,587.00
Interest Cost	3,639,395.00	4,157,731.00	3,842,236.00	4,705,976.00	4,980,827.00	4,300,221.00
Changes in Benefit Terms		(170,594.00)				
Difference between Expected and Actual Experience	6,480,449.00	(26,364,471.00)	32,928,181.00	(19,449,964.00)	(10,098,588.00)	
Changes in Assumptions	(36,839,985.00)	158,125.00	32,414,440.00	1,593,055.00	(13,636,116.00)	(17,713,692.00)
Member Contributions	115,648.00	106,293.00	93,637.00	97,222.00	109,817.00	115,945.00
Gross Benefit Payments	(3,604,928.00)	(3,275,127.00)	(3,089,299.00)	(3,279,796.00)	(3,177,420.00)	(3,148,761.00)
Net Change in Total Non-Employer OPEB Liability	(22,945,997.00)	(17,176,212.00)	70,608,191.00	(11,983,945.00)	(17,116,338.00)	(10,781,700.00)
Total Non-Employer OPEB Liability - July 1	<u>160,276,104.00</u>	<u>177,452,316.00</u>	<u>106,844,125.00</u>	<u>118,828,070.00</u>	<u>135,944,408.00</u>	<u>146,726,108.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 137,330,107.00</u>	<u>\$ 160,276,104.00</u>	<u>\$ 177,452,316.00</u>	<u>\$ 106,844,125.00</u>	<u>\$ 118,828,070.00</u>	<u>\$ 135,944,408.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 35,951,810.00</u>	<u>\$ 35,826,197.00</u>	<u>\$ 35,105,597.00</u>	<u>\$ 34,317,995.00</u>	<u>\$ 33,534,307.00</u>	<u>\$ 33,295,239.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	381.98%	447.37%	505.48%	311.34%	354.35%	408.30%

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2023

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>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Total	Every Student Succeeds Act (E.S.S.A)					Student Support and Academic Enrichment Title IV	Brought Forward
		Grants to Local Education Agencies Title I, Part A	Distinguished Schools Program Title I	Supporting Effective Instruction State Grants Title II, Part A	Language Instruction for English Learners Title III	Language Instruction for Immigrant Students Title III		
REVENUES:								
Federal Sources	\$ 4,401,131.09	\$ 878,321.15	\$ 14,948.82	\$ 125,619.71	\$ 25,964.22	\$ 3,710.42	\$ 54,900.25	\$ 3,297,666.52
State Sources	3,483,658.68							3,483,658.68
Local Sources	77,274.41							77,274.41
Total Revenues	7,962,064.18	878,321.15	14,948.82	125,619.71	25,964.22	3,710.42	54,900.25	6,858,599.61
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,523,914.85	87,193.94			7,500.48		5,031.00	1,424,189.43
Other Salaries	433,650.46							433,650.46
Purchased Professional/Technical Services	144,480.89							144,480.89
Tuition	500,000.00							500,000.00
Supplies and Materials	1,356,091.86	555,491.68	14,948.82		13,792.68	3,710.42	12,151.58	755,996.68
Textbooks	37,007.87							37,007.87
Total Instruction	3,995,145.93	642,685.62	14,948.82	-	21,293.16	3,710.42	17,182.58	3,295,325.33
Support Services:								
Salaries of Program Directors	142,039.68							142,039.68
Salaries of Other Professional Staff	59,809.19							59,809.19
Salaries of Secretarial and Clerical Assistants	47,568.69							47,568.69
Other Salaries	503,617.77	88,404.80		16,555.54			795.44	397,861.99
Salaries of Community Parent Involvement Spec.	1,732.50							1,732.50
Salaries of PEEA Facilitator/Coach	52,800.00							52,800.00
Personal Services - Employee Benefits	932,861.89	13,487.46		1,266.52	573.78		432.83	917,101.30
Purchased Professional & Technical Services	608,990.88	28,243.07		94,709.47			36,489.40	449,548.94
Purchased Educational Services - Contracted Pre-K	955,037.90							955,037.90
Purchased Educational Services - Head Start	125,715.00							125,715.00
Other Purchased Professional Services	89,373.96	36,694.16		5,801.36	2,100.00			44,778.44
Purchased Property Services	73,629.66							73,629.66
Rentals	21,000.00							21,000.00
Supplies and Materials	218,512.92	68,806.04		7,286.82	1,997.28			140,422.78
Student Activities	52,751.59							52,751.59
Total Support Services	3,885,441.63	235,635.53	-	125,619.71	4,671.06	-	37,717.67	3,481,797.66
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment	160,000.00							160,000.00
Construction Services	384,801.40							384,801.40
Total Facilities Acquisition and Construction Services	544,801.40	-	-	-	-	-	-	544,801.40
Total Expenditures	8,425,388.96	878,321.15	14,948.82	125,619.71	25,964.22	3,710.42	54,900.25	7,321,924.39
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	472,325.00	-	-	-	-	-	-	472,325.00
Total Expenditures and Other Financing Sources (Uses)	7,953,063.96	878,321.15	14,948.82	125,619.71	25,964.22	3,710.42	54,900.25	6,849,599.39
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000.22	-	-	-	-	-	-	9,000.22
Fund Balance, July 1	104,628.90	-	-	-	-	-	-	104,628.90
Fund Balance, June 30	\$ 113,629.12	-	-	-	-	-	-	\$ 113,629.12

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	I.D.E.A. Part B							Total Brought Forward
	Carried Forward	Special Education Grants to States (IDEA Basic)	Special Education Preschool Grants (IDEA Preschool)	ARP Special Education Grants to States (IDEA Basic)	ARP Special Education Preschool Grants (IDEA Preschool)	C.R.S.S.A		
						ESSER II	Learning Acceleration	
REVENUES:								
Federal Sources	\$ 3,297,666.52	\$ 915,035.85	\$ 37,179.26	\$ 102,799.01	\$ 302.00	\$ 227,098.99	\$ 77,967.74	\$ 1,937,283.67
State Sources	3,483,658.68							3,483,658.68
Local Sources	<u>77,274.41</u>							<u>77,274.41</u>
Total Revenues	<u>6,858,599.61</u>	<u>915,035.85</u>	<u>37,179.26</u>	<u>102,799.01</u>	<u>302.00</u>	<u>227,098.99</u>	<u>77,967.74</u>	<u>5,498,216.76</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,424,189.43	231,780.37	20,000.00				64,789.10	1,107,619.96
Other Salaries	433,650.46							433,650.46
Purchased Professional/Technical Services	144,480.89	114,187.89		14,293.00				16,000.00
Tuition	500,000.00	500,000.00						
Supplies and Materials	755,996.68	40,584.12	6,979.26	85,485.59	302.00		6,574.34	616,071.37
Textbooks	<u>37,007.87</u>							<u>37,007.87</u>
Total Instruction	<u>3,295,325.33</u>	<u>886,552.38</u>	<u>26,979.26</u>	<u>99,778.59</u>	<u>302.00</u>	<u>-</u>	<u>71,363.44</u>	<u>2,210,349.66</u>
Support Services:								
Salaries of Program Directors	142,039.68							142,039.68
Salaries of Other Professional Staff	59,809.19							59,809.19
Salaries of Secretarial and Clerical Assistants	47,568.69							47,568.69
Salaries of Other Professional Staff	397,861.99	10,000.08		2,786.45		132,610.98	1,533.00	250,931.48
Salaries of Community Parent Involvement Spec.	1,732.50							1,732.50
Salaries of Master Teachers	52,800.00							52,800.00
Personal Services - Employee Benefits	917,101.30	18,483.39	10,200.00	233.97		94,488.01	5,071.30	788,624.63
Purchased Professional & Technical Services	449,548.94							449,548.94
Purchased Educational Services - Contracted Pre-K	955,037.90							955,037.90
Purchased Educational Services - Head Start	125,715.00							125,715.00
Other Purchased Professional Services	44,778.44							44,778.44
Purchased Property Services	73,629.66							73,629.66
Rentals	21,000.00							21,000.00
Supplies and Materials	140,422.78							140,422.78
Student Activities	<u>52,751.59</u>							<u>52,751.59</u>
Total Support Services	<u>3,481,797.66</u>	<u>28,483.47</u>	<u>10,200.00</u>	<u>3,020.42</u>	<u>-</u>	<u>227,098.99</u>	<u>6,604.30</u>	<u>3,206,390.48</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment	160,000.00							160,000.00
Buildings	<u>384,801.40</u>							<u>384,801.40</u>
Total Facilities Acquisition and Construction Services	<u>544,801.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,801.40</u>
Total Expenditures	<u>7,321,924.39</u>	<u>915,035.85</u>	<u>37,179.26</u>	<u>102,799.01</u>	<u>302.00</u>	<u>227,098.99</u>	<u>77,967.74</u>	<u>5,961,541.54</u>
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	<u>472,325.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,325.00</u>
Total Expenditures and Other Financing Sources (Uses)	<u>6,849,599.39</u>	<u>915,035.85</u>	<u>37,179.26</u>	<u>102,799.01</u>	<u>302.00</u>	<u>227,098.99</u>	<u>77,967.74</u>	<u>5,489,216.54</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000.22	-	-	-	-	-	-	9,000.22
Fund Balance, July 1	104,628.90	-	-	-	-	-	-	104,628.90
Fund Balance, June 30	<u>\$ 113,629.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 113,629.12</u>

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Carried Forward	American Rescue Plan				Total Brought Forward	
		C.R.S.S.A Mental Health	ESSER III	Accelerated Learning Coach and Educator Support	Evidence Based Comprehensive Beyond the School Day		Mental Health
REVENUES:							
Federal Sources	\$ 1,937,283.67	\$ 16,373.22	\$ 1,765,575.80	\$ 101,577.30	\$ 16,564.19	\$ 7,610.87	\$ 29,582.29
State Sources	3,483,658.68						3,483,658.68
Local Sources	77,274.41						77,274.41
Total Revenues	5,498,216.76	16,373.22	1,765,575.80	101,577.30	16,564.19	7,610.87	3,590,515.38
EXPENDITURES:							
Instruction:							
Salaries of Teachers	1,107,619.96		311,964.41				795,655.55
Other Salaries	433,650.46						433,650.46
Purchased Professional/Technical Services	16,000.00				16,000.00		
Tuition							
Supplies and Materials	616,071.37	2,696.33	562,592.13		564.19		50,218.72
Textbooks	37,007.87						37,007.87
Total Instruction	2,210,349.66	2,696.33	874,556.54	-	16,564.19	-	1,316,532.60
Support Services:							
Salaries of Program Directors	142,039.68						142,039.68
Salaries of Other Professional Staff	59,809.19						59,809.19
Salaries of Secretarial and Clerical Assistants	47,568.69						47,568.69
Salaries of Other Professional Staff	250,931.48	6,892.99	54,448.00	93,853.43		7,014.46	88,722.60
Salaries of Community Parent Involvement Spec.	1,732.50						1,732.50
Salaries of Master Teachers	52,800.00						52,800.00
Personal Services - Employee Benefits	788,624.63	541.84	3,287.49	7,173.66		596.41	777,025.23
Purchased Professional & Technical Services	449,548.94		162,418.74				287,130.20
Purchased Educational Services - Contracted Pre-K	955,037.90						955,037.90
Purchased Educational Services - Head Start	125,715.00						125,715.00
Other Purchased Professional Services	44,778.44	4,239.96					40,538.48
Purchased Property Services	73,629.66						73,629.66
Rentals	21,000.00						21,000.00
Supplies and Materials	140,422.78	2,002.10	126,063.63	550.21			11,806.84
Student Activities	52,751.59						52,751.59
Total Support Services	3,206,390.48	13,676.89	346,217.86	101,577.30	-	7,610.87	2,737,307.56
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment	160,000.00		160,000.00				
Buildings	384,801.40		384,801.40				
Total Facilities Acquisition and Construction Services	544,801.40	-	544,801.40	-	-	-	-
Total Expenditures	5,961,541.54	16,373.22	1,765,575.80	101,577.30	16,564.19	7,610.87	4,053,840.16
Other Financing Sources (Uses):							
Transfers from/(to) General Fund	472,325.00	-	-	-	-	-	472,325.00
Total Expenditures and Other Financing Sources (Uses)	5,489,216.54	16,373.22	1,765,575.80	101,577.30	16,564.19	7,610.87	3,581,515.16
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000.22	-	-	-	-	-	9,000.22
Fund Balance, July 1	104,628.90	-	-	-	-	-	104,628.90
Fund Balance, June 30	\$ 113,629.12	-	-	-	-	-	\$ 113,629.12

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Carried Forward	American Rescue Plan Homeless II	S.D.A. Emergent Needs Grant	N.J. Nonpublic Auxiliary Services Ch. 192 Compensatory Education	Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Nonpublic Security Aid	Total Brought Forward
REVENUES:								
Federal Sources	\$ 29,582.29	\$ 29,582.29						
State Sources	3,483,658.68		\$ 73,629.66	\$ 102,435.49	\$ 37,007.87	\$ 65,947.08	\$ 142,080.71	\$ 3,062,557.87
Local Sources	<u>77,274.41</u>							<u>77,274.41</u>
Total Revenues	<u>3,590,515.38</u>	<u>29,582.29</u>	<u>73,629.66</u>	<u>102,435.49</u>	<u>37,007.87</u>	<u>65,947.08</u>	<u>142,080.71</u>	<u>3,139,832.28</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	795,655.55	672.75		64,703.00				730,279.80
Other Salaries	433,650.46							433,650.46
Purchased Professional/Technical Services								
Tuition	50,218.72							50,218.72
Supplies and Materials	37,007.87				37,007.87			
Textbooks								
Total Instruction	<u>1,316,532.60</u>	<u>672.75</u>	<u>-</u>	<u>64,703.00</u>	<u>37,007.87</u>	<u>-</u>	<u>-</u>	<u>1,214,148.98</u>
Support Services:								
Salaries of Program Directors	142,039.68							142,039.68
Salaries of Other Professional Staff	59,809.19							59,809.19
Salaries of Secretarial and Clerical Assistants	47,568.69							47,568.69
Salaries of Other Professional Staff	88,722.60	1,422.60						87,300.00
Salaries of Community Parent Involvement Spec.	1,732.50							1,732.50
Salaries of Master Teachers	52,800.00							52,800.00
Personal Services - Employee Benefits	777,025.23	160.31		10,950.00				765,914.92
Purchased Professional & Technical Services	287,130.20			26,782.49		57,840.00	142,080.71	60,427.00
Purchased Educational Services - Contracted Pre-K	955,037.90							955,037.90
Purchased Educational Services - Head Start	125,715.00							125,715.00
Other Purchased Professional Services	40,538.48	26,993.12						13,545.36
Purchased Property Services	73,629.66		73,629.66					
Rentals	21,000.00							21,000.00
Supplies and Materials	11,806.84	333.51				8,107.08		3,366.25
Student Activities	52,751.59							52,751.59
Total Support Services	<u>2,737,307.56</u>	<u>28,909.54</u>	<u>73,629.66</u>	<u>37,732.49</u>	<u>-</u>	<u>65,947.08</u>	<u>142,080.71</u>	<u>2,389,008.08</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
Buildings								
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,053,840.16</u>	<u>29,582.29</u>	<u>73,629.66</u>	<u>102,435.49</u>	<u>37,007.87</u>	<u>65,947.08</u>	<u>142,080.71</u>	<u>3,603,157.06</u>
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	472,325.00	-	-	-	-	-	-	472,325.00
Total Expenditures and Other Financing Sources (Uses)	<u>3,581,515.16</u>	<u>29,582.29</u>	<u>73,629.66</u>	<u>102,435.49</u>	<u>37,007.87</u>	<u>65,947.08</u>	<u>142,080.71</u>	<u>3,130,832.06</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000.22	-	-	-	-	-	-	9,000.22
Fund Balance, July 1	<u>104,628.90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,628.90</u>
Fund Balance, June 30	<u>\$ 113,629.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 113,629.12</u>

(Continued)

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Carried Forward	Nonpublic Technology Aid	N.J. Nonpublic Handicapped Serv. Ch. 193		N.J. Nonpublic Handicapped Serv. Ch. 193	Preschool Education Aid	School Climate Change Pilot	Other Local Grants	Student Activity Fund
			Corrective Speech	Supplemental Instruction	Examination and Classification				
REVENUES:									
Federal Sources									
State Sources	\$ 3,062,557.87	\$ 25,055.06	\$ 13,020.00	\$ 49,412.81	\$ 54,814.00	\$ 2,913,596.00	\$ 6,660.00	\$ 15,522.60	\$ 61,751.81
Local Sources	77,274.41								
Total Revenues	3,139,832.28	25,055.06	13,020.00	49,412.81	54,814.00	2,913,596.00	6,660.00	15,522.60	61,751.81
EXPENDITURES:									
Instruction:									
Salaries of Teachers	730,279.80			2,000.00	50,919.00	677,360.80			
Other Salaries	433,650.46					433,650.46			
Purchased Professional/Technical Services									
Tuition		25,055.06							
Supplies and Materials	50,218.72					16,526.42	6,660.00	1,977.24	
Textbooks									
Total Instruction	1,214,148.98	25,055.06	-	2,000.00	50,919.00	1,127,537.68	6,660.00	1,977.24	-
Support Services:									
Salaries of Program Directors	142,039.68					142,039.68			
Salaries of Other Professional Staff	59,809.19					59,809.19			
Salaries of Secretarial and Clerical Assistants	47,568.69					47,568.69			
Salaries of Other Professional Staff	87,300.00					87,300.00			
Salaries of Community Parent Involvement Spec.	1,732.50					1,732.50			
Salaries of Master Teachers	52,800.00					52,800.00			
Personal Services - Employee Benefits	765,914.92			5.81	3,895.00	762,014.11			
Purchased Professional & Technical Services	60,427.00		13,020.00	47,407.00					
Purchased Educational Services - Contracted Pre-K	955,037.90					955,037.90			
Purchased Educational Services - Head Start	125,715.00					125,715.00			
Other Purchased Professional Services	13,545.36							13,545.36	
Purchased Property Services									
Rentals	21,000.00					21,000.00			
Supplies and Materials	3,366.25					3,366.25			
Student Activities	52,751.59								52,751.59
Total Support Services	2,389,008.08	-	13,020.00	47,412.81	3,895.00	2,258,383.32	-	13,545.36	52,751.59
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Non-Instructional Equipment									
Buildings									
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-
Total Expenditures	3,603,157.06	25,055.06	13,020.00	49,412.81	54,814.00	3,385,921.00	6,660.00	15,522.60	52,751.59
Other Financing Sources (Uses):									
Transfers from/(to) General Fund	472,325.00	-	-	-	-	472,325.00	-	-	-
Total Expenditures and Other Financing Sources (Uses)	3,130,832.06	25,055.06	13,020.00	49,412.81	54,814.00	2,913,596.00	6,660.00	15,522.60	52,751.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000.22	-	-	-	-	-	-	-	9,000.22
Fund Balance, July 1	104,628.90	-	-	-	-	-	-	-	104,628.90
Fund Balance, June 30	\$ 113,629.12	-	-	-	-	-	-	-	\$ 113,629.12

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 677,360.80	\$ 677,360.80	
Other Salaries for Instruction	433,650.46	433,650.46	
General Supplies	16,526.42	16,526.42	
	<u>1,127,537.68</u>	<u>1,127,537.68</u>	<u>-</u>
Total Instruction			
Support Services:			
Salaries of Program Directors	142,039.68	142,039.68	
Salaries of Other Professional Staff	59,809.19	59,809.19	
Salaries of Secretarial and Clerical Assistants	47,568.69	47,568.69	
Other Salaries	87,300.00	87,300.00	
Salaries of Community Parent Involvement Spec.	1,732.50	1,732.50	
Salaries of Master Teachers	52,800.00	52,800.00	
Personal Services - Employee Benefits	762,014.11	762,014.11	
Purchased Educational Services - Contracted Pre-K	955,037.90	955,037.90	
Purchased Educational Services - Head Start	125,715.00	125,715.00	
Rentals	21,000.00	21,000.00	
Supplies and Materials	3,366.25	3,366.25	
	<u>2,258,383.32</u>	<u>2,258,383.32</u>	<u>-</u>
Total Support Services			
Total Expenditures	<u>\$ 3,385,921.00</u>	<u>\$ 3,385,921.00</u>	<u>-</u>

Calculation of Budget and Carryover

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 2,815,240.00
Add: Actual ECPA Carryover (June 30, 2022)	98,356.00
Add: Budgeted Transfer from the General Fund 2022-2023	<u>472,325.00</u>
Total Preschool Education Aid Funds Available for 2022-2023 Budget	3,385,921.00
Less: 2022-2023 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(3,385,921.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: 2022-2023 Unexpended Preschool Education Aid	-
Less: 2022-2023 Commissioner Approved Transfer to General Fund	<u>-</u>
2022-2023 Carryover -- Preschool Education Aid	<u>-</u>
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	<u>-</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2023

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
District Maintenance/ Storage Building State Project # 1690-X01-20-1000	11/18/2019	\$ 2,902,340.88	\$ 2,901,240.88	\$ 1,100.00	
Parking Lot Renovations State Project # 1690-045-23-1000	7/1/2021	<u>1,006,778.82</u>	<u>88,984.60</u>	<u>917,275.00</u>	\$ <u>519.22</u>
		<u>\$ 3,909,119.70</u>	<u>\$ 2,990,225.48</u>	<u>\$ 918,375.00</u>	<u>\$ 519.22</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2023

Revenues and Other Financing Sources

Transfer from Capital Reserve		
Transfer from (to) Other Local Projects		_____
Total Revenues		-

Expenditures and Other Financing Uses

Expenditures:		
Purchased Professional and Technical Services	\$ 21,200.00	
Construction Services	897,175.00	_____
Total Expenditures		\$ 918,375.00

Excess (Deficiency) of Revenues Over (Under) Expenditures		(918,375.00)
Fund Balance -- July 1		918,894.22
Fund Balance -- June 30		\$ 519.22

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 District Maintenance/ Storage Building
 For the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 2,523,100.00		\$ 2,523,100.00	\$ 2,523,100.00
Transfer from (to) Other Local Projects	379,240.88		379,240.88	379,240.88
Total Revenues	<u>2,902,340.88</u>	<u>-</u>	<u>2,902,340.88</u>	<u>2,902,340.88</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	177,958.70	\$ 1,100.00	179,058.70	179,058.70
Construction Services	2,723,282.18		2,723,282.18	2,723,282.18
Total Expenditures	<u>2,901,240.88</u>	<u>1,100.00</u>	<u>2,902,340.88</u>	<u>2,902,340.88</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,100.00</u>	<u>\$ (1,100.00)</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	1690-X01-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 2,075,000.00
Additional Authorized Cost	\$ 827,340.88
Revised Authorized Cost	\$ 2,902,340.88
Percentage Increase over Original Authorized Cost	40%
Percentage Completion	100%
Original Target Completion Date	7/31/2021
Revised Target Completion Date	7/31/2022

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Parking Lot Renovations
 For the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,002,175.00		\$ 1,002,175.00	\$ 1,002,175.00
Transfer from (to) Other Local Projects	4,603.82		4,603.82	4,603.82
Total Revenues	<u>1,006,778.82</u>	<u>-</u>	<u>1,006,778.82</u>	<u>1,006,778.82</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 20,100.00	20,100.00	20,100.00
Construction Services	88,984.60	897,175.00	986,159.60	986,678.82
Total Expenditures	<u>88,984.60</u>	<u>917,275.00</u>	<u>1,006,259.60</u>	<u>1,006,778.82</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 917,794.22</u>	<u>\$ (917,275.00)</u>	<u>\$ 519.22</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 519.22</u>	
Additional Project Information:				
Project Number	1690-045-23-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 1,002,175.00			
Additional Authorized Cost	\$ 4,603.82			
Revised Authorized Cost	\$ 1,006,778.82			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	12/31/2023			
Revised Target Completion Date	12/31/2023			

PROPRIETARY FUNDS

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 990,139.32	\$ 972,367.23	\$ 73,890.12	\$ 48,270.70	\$ 2,084,667.37
Accounts Receivable:					
Federal	107,777.12				107,777.12
State	3,194.53				3,194.53
Other	23,890.45	8,644.99			32,535.44
Interfund Accounts Receivable:					
Due General Fund				844.49	844.49
Inventories	23,661.00				23,661.00
Total Current Assets	<u>1,148,662.42</u>	<u>981,012.22</u>	<u>73,890.12</u>	<u>49,115.19</u>	<u>2,252,679.95</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	855,542.52	244,222.07			1,099,764.59
Less Accumulated Depreciation	(682,447.46)	(16,281.47)			(698,728.93)
Total Noncurrent Assets	<u>173,095.06</u>	<u>227,940.60</u>	<u>-</u>	<u>-</u>	<u>401,035.66</u>
Total Assets	<u>1,321,757.48</u>	<u>1,208,952.82</u>	<u>73,890.12</u>	<u>49,115.19</u>	<u>2,653,715.61</u>
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	322,421.56	324,586.91	5,295.88		652,304.35
Compensated Absences	30,252.38				30,252.38
Accounts Payable		96,801.10			96,801.10
Unearned Revenue	21,181.18				21,181.18
Total Current Liabilities	<u>373,855.12</u>	<u>421,388.01</u>	<u>5,295.88</u>	<u>-</u>	<u>800,539.01</u>
Noncurrent Liabilities:					
Compensated Absences	121,009.54	-	-	-	121,009.54
Total Liabilities	<u>494,864.66</u>	<u>421,388.01</u>	<u>5,295.88</u>	<u>-</u>	<u>921,548.55</u>
NET POSITION:					
Net Investment in Capital Assets	173,095.06	227,940.60			401,035.66
Unrestricted	653,797.76	559,624.21	68,594.24	49,115.19	1,331,131.40
Total Net Position	<u>\$ 826,892.82</u>	<u>\$ 787,564.81</u>	<u>\$ 68,594.24</u>	<u>\$ 49,115.19</u>	<u>\$ 1,732,167.06</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service	Child Care Program	Gifted and Talented Consortium	Community Education	Total
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 393,715.42				\$ 393,715.42
Special Functions	2,616.57				2,616.57
Miscellaneous	698.48				698.48
Community Service Activities		\$ 815,509.49	\$ 25,997.37	\$ 25,793.00	867,299.86
Total Operating Revenues	397,030.47	815,509.49	25,997.37	25,793.00	1,264,330.33
OPERATING EXPENSES:					
Salaries	1,236,771.97	428,402.91	22,159.00	25,297.89	1,712,631.77
Employee Benefits	303,149.20	38,256.43	1,695.16	1,935.30	345,036.09
Purchased Property Services	95,451.58	75,000.00			170,451.58
Purchased Professional and Technical Services	15,684.00	146,779.84			162,463.84
General Supplies	104,413.61	83,158.98	2,560.47	4,025.00	194,158.06
Depreciation	26,243.98	16,281.47			42,525.45
Cost of Sales - Reimbursable Programs	941,422.20				941,422.20
Cost of Sales - Non-Reimbursable Programs	39,225.92				39,225.92
Miscellaneous	1,106.30	103,486.48		1,480.00	106,072.78
Total Operating Expenses	2,763,468.76	891,366.11	26,414.63	32,738.19	3,713,987.69
Operating Income / (Loss)	(2,366,438.29)	(75,856.62)	(417.26)	(6,945.19)	(2,449,657.36)
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	35,498.08				35,498.08
State School Breakfast Program	6,275.70				6,275.70
State After Bell Program	3,803.90				3,803.90
State Support for Summer Food Service Program	570.60				570.60
Federal Sources:					
National School Lunch Program	1,089,672.74				1,089,672.74
National School Breakfast Program	464,303.21				464,303.21
After School Snack Program	31,064.04				31,064.04
Food Distribution Program	113,595.83				113,595.83
Supply Chain Assistance Funding	155,009.16				155,009.16
Child Nutrition Summer Programs	15,575.38				15,575.38
Summer Sponsor Admin	1,571.20				1,571.20
Local Sources:					
Administrative Fee	15,000.00				15,000.00
Interest Revenue	18,518.64	16,835.22	1,261.26	535.11	37,150.23
Total Nonoperating Revenues (Expenses)	1,950,458.48	16,835.22	1,261.26	535.11	1,969,090.07
Change in Net Position	(415,979.81)	(59,021.40)	844.00	(6,410.08)	(480,567.29)
Net Position -- July 1	1,242,872.63	846,586.21	67,750.24	55,525.27	2,212,734.35
Net Position -- June 30	\$ 826,892.82	\$ 787,564.81	\$ 68,594.24	\$ 49,115.19	\$ 1,732,167.06

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 386,463.18	\$ 811,506.49	\$ 25,997.37	\$ 25,793.00	\$ 1,249,760.04
Payments to Employees	(1,052,139.24)	(428,402.91)	(22,159.00)	(25,023.38)	(1,527,724.53)
Payments for Employee Benefits	(303,149.20)	(38,256.43)	(1,695.16)	(1,935.30)	(345,036.09)
Payments to Suppliers	(1,131,222.58)	(312,624.20)	(2,560.47)	(6,624.00)	(1,453,031.25)
Net Cash Provided by (used for) Operating Activities	<u>(2,100,047.84)</u>	<u>32,222.95</u>	<u>(417.26)</u>	<u>(7,789.68)</u>	<u>(2,076,031.83)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	46,454.98				46,454.98
Federal Sources	2,003,362.45				2,003,362.45
Local Sources	15,000.00				15,000.00
Operating Subsidies and Transfers to (from) Other Funds		74,000.00			74,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>2,064,817.43</u>	<u>74,000.00</u>	<u>-</u>	<u>-</u>	<u>2,138,817.43</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of Capital Assets	(63,305.45)	(244,222.07)			(307,527.52)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Revenue	18,518.64	16,835.22	1,261.26	535.11	37,150.23
Net Increase (Decrease) in Cash and Cash Equivalents	(80,017.22)	(121,163.90)	844.00	(7,254.57)	(207,591.69)
Cash and Cash Equivalents -- July 1	1,070,156.54	1,093,531.13	73,046.12	55,525.27	2,292,259.06
Cash and Cash Equivalents -- June 30	<u>\$ 990,139.32</u>	<u>\$ 972,367.23</u>	<u>\$ 73,890.12</u>	<u>\$ 48,270.70</u>	<u>\$ 2,084,667.37</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (2,366,438.29)	\$ (75,856.62)	\$ (417.26)	\$ (6,945.19)	\$ (2,449,657.36)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	26,243.98	16,281.47			42,525.45
(Increase) Decrease in Accounts Receivable, net	(23,861.10)	(4,003.00)			(27,864.10)
(Increase) Decrease in Inventories	4,470.55				4,470.55
Increase (Decrease) in Accounts Payable	(12.55)	95,801.10			95,788.55
Increase (Decrease) in Unearned Revenue	9,398.82				9,398.82
Increase (Decrease) in Interfund Payable	260,543.14			(844.49)	259,698.65
Increase (Decrease) in Compensated Absences	(10,392.39)				(10,392.39)
Total Adjustments	<u>266,390.45</u>	<u>108,079.57</u>	<u>-</u>	<u>(844.49)</u>	<u>373,625.53</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,100,047.84)</u>	<u>\$ 32,222.95</u>	<u>\$ (417.26)</u>	<u>\$ (7,789.68)</u>	<u>\$ (2,076,031.83)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Food Distribution Program	<u>\$ 113,595.83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 113,595.83</u>

LONG-TERM DEBT

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2023

<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, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds -- Series 2009	7-1-09	\$ 2,366,000.00	3-1-2024	\$ 169,000.00	4.750%	<u>\$ 338,000.00</u>	<u>-</u>	<u>\$ 169,000.00</u>	<u>\$ 169,000.00</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Lease Liability
 For the Fiscal Year Ended June 30, 2023

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2022 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2023 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
20 Canon Copiers	5/1/2019	5 Years	\$ 831,203.47	\$ 52,056.53	2.52%	<u>\$ 468,998.29</u>	<u>-</u>	<u>\$ 323,461.11</u>	<u>\$ 145,537.18</u>

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	<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	\$ 112,820.00	-	\$ 112,820.00	\$ 112,820.00	-
State Sources:					
Debt Service Aid Type II	72,234.00	-	72,234.00	72,234.00	-
Total Revenues	<u>185,054.00</u>	<u>-</u>	<u>185,054.00</u>	<u>185,054.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	24,083.00		16,055.00	16,055.00	
Redemption of Principal	169,000.00		169,000.00	169,000.00	
Total Regular Debt Service	<u>193,083.00</u>	<u>-</u>	<u>185,055.00</u>	<u>185,055.00</u>	<u>-</u>
Total Expenditures	<u>193,083.00</u>	<u>-</u>	<u>185,055.00</u>	<u>185,055.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,029.00)	-	(1.00)	(1.00)	-
Fund Balance, July 1	0.67	-	0.67	1.17	\$ 0.50
Fund Balance, June 30	<u>\$ (8,028.33)</u>	<u>-</u>	<u>\$ (0.33)</u>	<u>\$ 0.17</u>	<u>\$ 0.50</u>

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 27,172,643.63	\$ 27,485,058.84	\$ 27,312,158.54	\$ 26,674,200.29	\$ 26,792,240.78	\$ 27,274,364.12	\$ 28,142,115.88	\$ 29,430,670.78	\$ 29,504,631.91	\$ 27,754,527.02
Restricted	13,262,028.99	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87
Unrestricted (Deficit)	<u>(17,548,528.86)</u>	<u>(18,674,704.99)</u>	<u>(21,458,875.55)</u>	<u>(22,416,823.93)</u>	<u>(23,363,461.35)</u>	<u>(22,421,910.19)</u>	<u>(20,993,384.90)</u>	<u>(19,820,027.31)</u>	<u>(18,994,065.22)</u>	<u>(313,581.87)</u>
Total Governmental Activities Net Position	\$ 22,886,143.76	\$ 21,796,508.52	\$ 18,407,919.59	\$ 18,141,432.12	\$ 18,526,361.34	\$ 19,261,298.04	\$ 19,838,637.91	\$ 22,391,082.07	\$ 20,621,251.00	\$ 35,814,871.02
Business-type Activities:										
Net Investment in Capital Assets	\$ 401,035.66	\$ 136,033.59	\$ 158,120.21	\$ 177,397.97	\$ 168,549.74	\$ 179,396.66	\$ 158,034.86	\$ 127,487.57	\$ 87,711.45	\$ 87,213.07
Unrestricted (Deficit)	<u>1,331,131.40</u>	<u>2,076,700.76</u>	<u>1,052,514.24</u>	<u>1,016,107.29</u>	<u>1,071,212.65</u>	<u>947,213.43</u>	<u>775,299.78</u>	<u>523,149.07</u>	<u>367,730.64</u>	<u>170,171.91</u>
Total Business-type Activities Net Position	\$ 1,732,167.06	\$ 2,212,734.35	\$ 1,210,634.45	\$ 1,193,505.26	\$ 1,239,762.39	\$ 1,126,610.09	\$ 933,334.64	\$ 650,636.64	\$ 455,442.09	\$ 257,384.98
District-wide:										
Net Investment in Capital Assets	\$ 27,573,679.29	\$ 27,621,092.43	\$ 27,470,278.75	\$ 26,851,598.26	\$ 26,960,790.52	\$ 27,453,760.78	\$ 28,300,150.74	\$ 29,558,158.35	\$ 29,592,343.36	\$ 27,841,740.09
Restricted	13,262,028.99	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31	8,373,925.87
Unrestricted (Deficit)	<u>(16,217,397.46)</u>	<u>(16,598,004.23)</u>	<u>(20,406,361.31)</u>	<u>(21,400,716.64)</u>	<u>(22,292,248.70)</u>	<u>(21,474,696.76)</u>	<u>(20,218,085.12)</u>	<u>(19,296,878.24)</u>	<u>(18,626,334.58)</u>	<u>(143,409.96)</u>
Total District-wide Net Position	\$ 24,618,310.82	\$ 24,009,242.87	\$ 19,618,554.04	\$ 19,334,937.38	\$ 19,766,123.73	\$ 20,387,908.13	\$ 20,771,972.55	\$ 23,041,718.71	\$ 21,076,693.09	\$ 36,072,256.00

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

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

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

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 17,372,686.76	\$ 17,515,407.49	\$ 17,271,859.78	\$ 17,713,813.06	\$ 17,336,129.69	\$ 17,172,218.19	\$ 16,933,499.34	\$ 16,118,409.83	\$ 16,460,049.90	\$ 15,960,197.21
Special Education	12,927,161.23	12,031,048.16	12,712,141.91	10,642,230.08	10,403,966.16	9,694,002.75	9,072,417.06	8,821,719.03	8,545,879.18	8,668,154.14
Other Special Education	2,716,459.19	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31
Other Instruction	91,937.27	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16
Tuition	1,727,649.13	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53
Support Services:										
Student and Instruction Related Services	9,001,876.09	8,552,008.59	8,457,412.60	7,462,237.38	6,608,268.56	5,966,902.42	6,308,933.43	6,170,609.09	5,471,561.47	5,172,731.41
School Administrative Services	2,114,582.63	1,966,336.92	1,935,307.83	1,980,956.71	2,013,880.77	1,938,561.91	1,975,011.39	1,888,409.27	1,973,497.26	1,804,811.83
Other Administrative Services	1,990,802.48	2,070,447.86	1,796,309.65	1,666,137.79	1,830,934.82	1,529,696.19	1,558,350.71	1,660,478.62	1,577,643.46	1,509,566.90
Plant Operations and Maintenance	5,334,059.08	5,546,351.96	6,113,359.79	5,067,347.92	4,790,989.68	4,955,231.87	4,806,520.07	4,196,660.48	3,772,617.40	3,705,773.93
Pupil Transportation	5,669,471.37	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41
Unallocated Benefits	21,028,980.56	24,376,795.01	33,242,278.82	25,802,227.32	28,222,468.95	32,953,923.31	27,978,164.49	22,244,578.29	18,989,270.29	11,424,206.21
Reimbursed TPAF and Social Security	2,142,251.38	2,053,568.53	2,019,094.59	1,967,211.78	1,944,126.01	1,886,175.94	4,161,311.54	6,001,746.94	5,166,151.40	4,457,212.31
Transfer to Charter School	856,903.00	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00
Interest on Long-term Debt	9,830.04	17,857.54	25,885.03	33,912.54	41,940.03	49,967.54	57,816.64	111,866.22	217,409.41	302,519.26
Unallocated Depreciation and Amortization	4,042.65	4,042.64	4,042.64	4,442.54	4,442.54	4,442.54	4,442.53	4,442.53	4,442.53	4,442.53
Total Governmental Activities Expenses	82,988,692.86	83,853,129.82	92,065,895.13	80,130,856.09	81,337,419.64	84,100,438.23	81,165,811.74	74,372,142.19	70,127,744.24	60,710,156.14
Business-type Activities:										
Food Service	2,763,468.76	2,411,147.32	1,975,326.38	2,057,092.22	2,025,396.47	1,989,769.36	1,823,089.03	1,719,418.70	1,670,911.59	1,733,933.38
Childcare Program	891,366.11	616,506.94	383,869.96	341,601.29	397,404.71	300,199.12	251,193.01	204,892.68	190,065.80	243,731.57
Gifted and Talented Consortium	26,414.63	13,067.73	494.80	27,665.70	25,112.04	27,398.76	30,069.93	31,768.46	30,375.65	31,617.53
Community Education	32,738.19	18,746.05	4,772.24	21,795.51	25,513.64	24,664.43	22,421.78	22,259.67	24,236.77	33,256.01
Total Business-type Activities Expense	3,713,987.69	3,059,468.04	2,364,463.38	2,448,154.72	2,473,426.86	2,342,031.67	2,126,773.75	1,978,339.51	1,915,589.81	2,042,538.49
Total District Expenses	\$ 86,702,680.55	\$ 86,912,597.86	\$ 94,430,358.51	\$ 82,579,010.81	\$ 83,810,846.50	\$ 86,442,469.90	\$ 83,292,585.49	\$ 76,350,481.70	\$ 72,043,334.05	\$ 62,752,694.63
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 18,399,683.00	\$ 22,730,049.62	\$ 28,907,978.68	\$ 17,952,120.95	\$ 20,088,558.38	\$ 24,698,039.18	\$ 21,721,635.62	\$ 18,121,470.70	\$ 14,017,721.69	\$ 6,605,629.07
Charges for Services	675,282.45	620,571.98	1,011,092.58	976,400.81	1,185,529.57	903,764.44	399,984.60	288,529.26	548,979.47	242,050.23
Total Governmental Activities Program Revenues	19,074,965.45	23,350,621.60	29,919,071.26	18,928,521.76	21,274,087.95	25,601,803.62	22,121,620.22	18,409,999.96	14,566,701.16	6,847,679.30
Business-type activities:										
Charges for Services:										
Food service	412,030.47	154,495.74	43,800.47	390,886.63	577,021.98	573,751.50	518,226.81	477,690.71	550,464.20	610,028.19
Childcare Program	815,509.49	699,051.08	234,860.19	413,292.38	438,733.49	384,134.05	394,271.15	395,483.55	394,120.24	317,753.21
Gifted and Talented Consortium	25,997.37	12,321.12		26,182.41	23,841.40	28,368.45	29,026.35	32,857.70	36,210.00	38,480.00
Community Education and Recreation	25,793.00	19,400.00	14,100.00	3,073.33	24,290.25	25,084.06	22,995.94	24,961.11	27,864.10	27,125.00
Operating Grants and Contributions	1,916,939.84	3,173,761.61	2,145,763.70	1,541,893.04	1,513,425.13	1,522,202.92	1,443,431.82	1,178,515.31	1,014,522.51	1,055,018.89
Total Business-type Activities Program Revenues	3,196,270.17	4,059,029.55	2,438,524.36	2,375,327.79	2,577,312.25	2,533,540.98	2,407,952.07	2,109,508.38	2,023,181.05	2,048,405.29
Total District Program Revenues	\$ 22,271,235.62	\$ 27,409,651.15	\$ 32,357,595.62	\$ 21,303,849.55	\$ 23,851,400.20	\$ 28,135,344.60	\$ 24,529,572.29	\$ 20,519,508.34	\$ 16,589,882.21	\$ 8,896,084.59
Net (Expense)/Revenue:										
Governmental Activities	\$ (63,913,727.41)	\$ (60,502,508.22)	\$ (62,146,823.87)	\$ (61,202,334.33)	\$ (60,063,331.69)	\$ (58,498,634.61)	\$ (59,044,191.52)	\$ (55,962,142.23)	\$ (55,561,043.08)	\$ (53,862,476.84)
Business-type Activities	(517,717.52)	999,561.51	74,060.98	(72,826.93)	103,885.39	191,509.31	281,178.32	131,168.87	107,591.24	5,866.80
Total District-wide Net Expense	\$ (64,431,444.93)	\$ (59,502,946.71)	\$ (62,072,762.89)	\$ (61,275,161.26)	\$ (59,959,446.30)	\$ (58,307,125.30)	\$ (58,763,013.20)	\$ (55,830,973.36)	\$ (55,453,451.84)	\$ (53,856,610.04)

(Continued)

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 35,712,752.00	\$ 33,872,502.00	\$ 33,872,502.00	\$ 33,208,335.00	\$ 32,557,191.00	\$ 32,076,050.00	\$ 31,447,108.00	\$ 30,606,570.00	\$ 30,454,298.00	\$ 29,255,010.00
Taxes Levied for Debt Service	112,820.00	117,716.00	122,610.00	127,504.00	132,398.00	72,956.00		859,841.00	893,774.00	938,830.00
Restricted and Unrestricted Grants and Contributions	28,686,551.09	29,122,582.40	27,237,195.08	26,404,570.76	25,578,274.80	24,825,077.26	24,790,739.39	25,975,818.22	25,115,182.13	24,622,892.32
Other	491,239.56	497,063.71	1,193,864.14	1,076,995.35	1,060,531.19	947,211.48	253,899.97	296,839.81	302,466.90	284,618.11
Transfers								(7,095.73)	(91,462.97)	(80,150.27)
Total Governmental Activities	65,003,362.65	63,609,864.11	62,426,171.22	60,817,405.11	59,328,394.99	57,921,294.74	56,491,747.36	57,731,973.30	56,674,258.06	55,021,200.16
Business-type Activities:										
Investment Earnings	37,150.23	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	1,240.81	650.49	401.82
Insurance Recovery								55,689.14		
Transfers								7,095.73	89,815.38	80,000.00
Total Business-type Activities	37,150.23	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	64,025.68	90,465.87	80,401.82
Total District-wide	\$ 65,040,512.88	\$ 63,612,402.50	\$ 62,454,303.48	\$ 60,843,974.91	\$ 59,337,661.90	\$ 57,923,060.88	\$ 56,493,267.04	\$ 57,795,998.98	\$ 56,764,723.93	\$ 55,101,601.98
Change in Net Position:										
Governmental Activities	\$ 1,089,635.24	\$ 3,107,355.89	\$ 279,347.35	\$ (384,929.22)	\$ (734,936.70)	\$ (577,339.87)	\$ (2,552,444.16)	\$ 1,769,831.07	\$ 1,113,214.98	\$ 1,158,723.32
Business-type Activities	(480,567.29)	1,002,099.90	102,193.24	(46,257.13)	113,152.30	193,275.45	282,698.00	195,194.55	198,057.11	86,268.62
Total District	\$ 609,067.95	\$ 4,109,455.79	\$ 381,540.59	\$ (431,186.35)	\$ (621,784.40)	\$ (384,064.42)	\$ (2,269,746.16)	\$ 1,965,025.62	\$ 1,311,272.09	\$ 1,244,991.94

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

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

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

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:										
Restricted	\$ 13,451,740.65	\$ 11,962,631.55	\$ 11,411,017.50	\$ 10,795,818.10	\$ 13,222,079.29	\$ 12,411,386.67	\$ 12,556,470.45	\$ 11,708,926.30	\$ 9,351,513.26	\$ 7,458,757.42
Assigned	2,206,942.81	1,995,251.34	1,349,762.49	1,881,633.40	412,001.28	585,800.87	779,528.65	785,869.71	515,562.82	415,983.60
Unassigned (Deficit)	<u>(840,643.84)</u>	<u>566,908.39</u>	<u>709,356.34</u>	<u>(748,237.56)</u>	<u>(809,807.76)</u>	<u>(767,938.83)</u>	<u>(679,985.32)</u>	<u>(691,208.06)</u>	<u>(676,986.34)</u>	<u>1,452,987.05</u>
Total General Fund	<u>\$ 14,818,039.62</u>	<u>\$ 14,524,791.28</u>	<u>\$ 13,470,136.33</u>	<u>\$ 11,929,213.94</u>	<u>\$ 12,824,272.81</u>	<u>\$ 12,229,248.71</u>	<u>\$ 12,656,013.78</u>	<u>\$ 11,803,587.95</u>	<u>\$ 9,190,089.74</u>	<u>\$ 9,327,728.07</u>
All Other Governmental Funds:										
Restricted for:										
Capital Projects Fund	\$ 519.22	\$ 918,894.22	\$ 1,324,515.64	\$ 3,088,237.66	\$ 1,849,775.59	\$ 1,997,457.44	\$ 77,193.00	\$ 403,539.68	\$ 206,521.68	\$ 415,874.63
Special Revenue Fund	113,629.12	104,628.90	92,025.62		25,727.03		10,481.55	37,714.55	17,003.00	
Debt Service Fund	0.17	1.17	0.67	0.67	0.17	0.17	64,336.67	169,000.99	169,000.49	169,001.49
Unassigned (Deficit):										
Special Revenue Fund	<u>(281,524.00)</u>	<u>(262,271.00)</u>	<u>(238,407.67)</u>	<u>(123,936.00)</u>		<u>(10,230.00)</u>				<u>(10,230.00)</u>
Total All Other Governmental Funds	<u>\$ (167,375.49)</u>	<u>\$ 761,253.29</u>	<u>\$ 1,178,134.26</u>	<u>\$ 2,964,302.33</u>	<u>\$ 1,875,502.79</u>	<u>\$ 1,987,227.61</u>	<u>\$ 152,011.22</u>	<u>\$ 610,255.22</u>	<u>\$ 392,525.17</u>	<u>\$ 574,646.12</u>

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 35,825,572.00	\$ 33,990,218.00	\$ 33,995,112.00	\$ 33,335,839.00	\$ 32,689,589.00	\$ 32,149,006.00	\$ 31,447,108.00	\$ 31,466,411.00	\$ 31,348,072.00	\$ 30,193,840.00
Other Local Revenue	1,243,796.42	1,175,769.09	2,236,723.07	2,076,953.64	2,280,759.64	1,884,907.30	671,640.20	612,325.41	870,784.50	577,319.59
State Sources	46,218,425.97	46,526,446.79	42,397,420.79	38,055,211.73	35,560,219.05	32,831,493.10	31,922,693.83	32,153,496.62	30,547,534.71	29,433,375.08
Federal Sources	4,963,910.71	5,245,288.83	4,440,682.62	2,097,237.50	3,219,102.25	3,083,824.96	3,001,020.55	2,706,145.96	1,716,717.98	1,744,495.06
Total Revenue	88,251,705.10	86,937,722.71	83,069,938.48	75,565,241.87	73,749,669.94	69,949,231.36	67,042,462.58	66,938,378.99	64,483,109.19	61,949,029.73
Expenditures:										
Instruction										
Regular Instruction	16,354,046.42	16,293,670.37	16,142,916.11	16,542,435.29	16,162,043.93	15,933,709.30	15,826,528.93	14,772,242.99	15,169,722.05	14,694,960.85
Special Education Instruction	12,169,182.45	11,191,856.83	11,881,235.89	9,938,481.45	9,699,359.73	8,994,843.88	8,479,338.39	8,084,952.45	7,875,954.97	7,981,034.76
Other Special Instruction	2,716,459.19	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20	1,674,659.31
Other Instruction	91,937.27	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77	87,156.16
Tuition	1,727,649.13	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02	1,540,951.53
Support Services:										
Student and Instruction Related Services	9,318,854.94	8,707,235.78	8,450,259.84	7,455,419.86	6,600,445.30	5,959,079.16	6,301,110.18	6,162,785.84	5,463,738.22	5,164,908.16
School Administrative Services	1,946,342.51	1,922,777.32	1,891,748.23	1,932,772.17	1,965,696.22	1,870,319.39	1,906,768.87	1,837,883.36	1,895,569.37	1,737,279.54
Other Administrative Services	2,004,874.58	2,064,482.55	1,989,921.30	1,871,167.84	2,028,401.00	1,701,278.62	1,631,612.82	1,679,821.37	1,557,776.35	1,533,662.92
Plant Operations and Maintenance	5,076,893.39	5,313,298.60	5,878,855.95	4,835,710.06	4,561,978.43	4,754,796.81	4,649,835.55	4,082,544.45	3,606,700.96	3,656,043.31
Pupil Transportation	5,669,471.37	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95	3,664,814.41
Unallocated Benefits	14,300,523.69	13,911,910.01	14,353,055.82	13,639,263.32	13,364,224.95	12,442,120.31	11,825,764.49	12,406,634.29	11,805,331.29	11,424,206.21
On-behalf of Pension and Social Security	14,998,015.38	14,785,809.53	11,757,895.59	9,467,148.78	9,221,845.01	7,775,233.94	6,903,862.54	6,001,746.94	5,166,151.40	4,457,212.31
Transfers to Charter School	856,903.00	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00	732,959.00
Debt Service:										
Principal	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	1,554,000.00	1,549,000.00	1,559,000.00
Interest and Other Charges	16,055.00	24,082.50	32,110.00	40,137.50	48,165.00	56,192.50	64,220.00	127,647.50	188,115.00	251,742.50
Capital Outlay	1,470,877.22	2,196,560.12	2,540,045.05	1,689,626.13	1,448,635.94	1,463,525.61	860,106.60	236,573.92	2,484,123.95	2,001,394.40
Total Expenditures	88,887,085.54	86,299,948.73	83,575,246.27	75,371,501.37	73,410,067.94	69,069,415.09	66,927,492.91	64,100,055.00	64,711,405.50	62,161,985.37
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(635,380.44)	637,773.98	(505,307.79)	193,740.50	339,602.00	879,816.27	114,969.67	2,838,323.99	(228,296.31)	(212,955.64)
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)					143,697.28	528,635.05	279,212.16			107,051.14
Accounts Receivable/Payable Canceled									(1,647.59)	(150.27)
Transfers Out								(7,095.73)	(89,815.38)	(80,000.00)
Total Other Financing Sources (Uses)	-	-	-	-	143,697.28	528,635.05	279,212.16	(7,095.73)	(91,462.97)	26,900.87
Net Change in Fund Balances	\$ (635,380.44)	\$ 637,773.98	\$ (505,307.79)	\$ 193,740.50	\$ 483,299.28	\$ 1,408,451.32	\$ 394,181.83	\$ 2,831,228.26	\$ (319,759.28)	\$ (186,054.77)
Debt Service as a Percentage of										
Noncapital Expenditures	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.4%	2.6%	2.8%	3.0%

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

Source: District Records

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

	Fiscal Year Ended June 30,										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Rentals	\$ 7,462.39	\$ 4,132.41		\$ 6,247.29	\$ 9,082.69	\$ 10,733.97	\$ 22,456.79				
Jury Duty											\$ 60.00
Settlement											6,252.30
Recycling/Scrap	224.10	584.50		244.50	408.00						
Restitution		50,000.00					2,544.00	\$ 1,066.61	\$ 1,176.00		400.00
Miscellaneous Refunds	2,768.33	18,410.93	\$ 52,433.52								5,191.97
Energy Credits	33,476.86	101,120.28	58,617.90	87,260.96	59,549.67	78,909.07	75,394.54	108,427.80	131,072.70		18,018.00
Insurance Refunds		107,842.00	13,359.00	1,000.00	575,147.00	499,922.00					
PILOT Agreement with Township				31,599.30	31,600.34	94,800.34					
Childcare Rent	75,000.00				50,000.00	45,000.00					
Shared Service Agreements	20,751.62			129,518.72	34,377.26						
Rebates	1,000.00	111,024.08	226,225.19	86,868.96	84,904.42	50,656.18	86,636.70	120,373.44	107,318.27		86,115.75
Other		76,603.90	88,214.49	48,727.75	64,601.37	94,173.86	41,905.05	23,489.23	10,517.14		10,689.93
Sale of Board Assets	443.68	2,910.00	368,672.75	2,395.00	13,487.00						
Service Fees											66,418.75
Cancellation of Outstanding Checks			433.26	459.61		171.44					
Prior Year Refunds	135,400.35	80.00		338,600.54	14,660.27	48,771.45	3,881.29	23,783.26	28,315.68		53,739.04
Interest Earned on Deposits	234,129.03	24,355.61	385,908.13	344,072.72	122,713.17	24,073.17	21,081.60	19,699.47	16,797.50		37,523.14
Total Miscellaneous Revenues	<u>\$ 510,656.36</u>	<u>\$ 497,063.71</u>	<u>\$ 1,193,864.24</u>	<u>\$ 1,076,995.35</u>	<u>\$ 1,120,306.19</u>	<u>\$ 947,211.48</u>	<u>\$ 253,899.97</u>	<u>\$ 296,839.81</u>	<u>\$ 302,466.90</u>		<u>\$ 284,618.11</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.

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2023	\$ 57,691,000.00	\$ 2,257,470,100.00	\$ 32,899,000.00	\$ 341,291,300.00	\$ 3,166,000.00	\$ 57,237,600.00	\$ 2,749,755,000.00		\$ 2,749,755,000.00	\$ 853,217,300.00	\$ 3,608,128,985.00	\$ 1.316
2022	59,256,000.00	2,253,153,100.00	31,864,600.00	339,196,700.00	3,166,000.00	54,683,900.00	2,741,320,300.00		2,741,320,300.00	839,748,397.00	2,952,736,320.55	1.273
2021	60,417,000.00	2,246,523,300.00	30,668,900.00	344,534,900.00	3,166,000.00	54,683,900.00	2,739,994,000.00		2,739,994,000.00	829,994,697.00	2,951,307,734.00	1.240
2020	62,434,800.00	2,235,599,000.00	30,475,100.00	341,748,400.00	3,170,300.00	54,683,900.00	2,728,111,500.00		2,728,111,500.00	810,569,697.00	2,880,688,068.00	1.234
2019	63,699,700.00	2,228,850,700.00	30,500,600.00	332,914,600.00	3,170,300.00	54,683,900.00	2,713,819,800.00		2,713,819,800.00	804,458,997.00	2,746,781,275.00	1.217
2018	69,010,600.00	2,218,978,600.00	34,010,200.00	314,252,000.00	3,170,300.00	54,683,900.00	2,694,105,600.00		2,694,105,600.00	821,892,897.00	2,752,457,703.00	1.204
2017	71,322,300.00	2,221,750,400.00	33,342,000.00	301,982,900.00	3,470,300.00	61,759,900.00	2,693,627,800.00		2,693,627,800.00	825,423,097.00	2,765,815,587.00	1.180
2016	73,359,300.00	2,222,039,900.00	33,292,800.00	300,913,700.00	6,880,600.00	61,759,900.00	2,698,246,200.00		2,698,246,200.00	820,214,597.00	2,915,132,022.00	1.165
2015	75,290,000.00	2,223,810,300.00	33,028,300.00	303,890,100.00	7,080,600.00	61,759,900.00	2,704,859,200.00	\$ 5,670,946.00	2,710,530,146.00	819,831,440.00	2,995,060,935.00	1.158
2014	79,309,200.00	2,219,575,900.00	32,008,100.00	306,583,000.00	7,874,400.00	61,759,900.00	2,707,110,500.00	6,299,272.00	2,713,409,772.00	815,827,497.00	2,851,397,012.00	1.135

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

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

Source: Atlantic County Board of Taxation

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

Year Ended <u>Dec. 31</u>	District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Regional High School <u>District</u>	Township of <u>Galloway</u>	Atlantic <u>County</u>	
2023	\$ 1.311	\$ 0.005	\$ 1.316	\$ 0.711	\$ 0.646	\$ 0.653	\$ 3.326
2022	1.269	0.004	1.273	0.719	0.613	0.606	3.211
2021	1.236	0.004	1.240	0.708	0.614	0.585	3.147
2020	1.229	0.005	1.234	0.685	0.615	0.563	3.097
2019	1.212	0.005	1.217	0.658	0.617	0.548	3.040
2018	1.201	0.003	1.204	0.694	0.619	0.566	3.083
2017	1.180	-	1.180	0.688	0.642	0.573	3.083
2016	1.133	0.032	1.165	0.673	0.663	0.555	3.056
2015	1.125	0.033	1.158	0.662	0.673	0.549	3.042
2014	1.100	0.035	1.135	0.645	0.684	0.477	2.941

(1) Revaluation

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2023			2014		
	<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>
Galloway Apartments, LLC	\$ 37,000,000.00	1	1.35%	\$ 37,000,000.00	2	1.36%
Marriott Ownership Resorts Inc	34,288,500.00	2	1.25%	49,623,800.00	1	1.83%
JSM at Galloway, LLC	34,000,000.00	3	1.24%	30,973,200.00	3	1.14%
Seaview Resort Acquisition Group LLC	13,873,700.00	4	0.50%			
Galloway Sen Prop	10,369,500.00	5	0.38%			
One Madison LLC	10,203,300.00	6	0.37%			
300 E. Jimmie Leeds Rd	10,150,000.00	7	0.37%	10,200,000.00	5	0.38%
Galloway Real Property, LLC	7,600,000.00	8	0.28%	7,800,000.00	7	0.29%
Galloway National Golf Club	6,054,100.00	9	0.22%	7,883,500.00	6	0.29%
Towne of Historic Smithville LLC	6,031,300.00	10	0.22%			
CNL Galloway, LLC				10,369,500.00	4	0.38%
Route 27 Acquisition LLC				7,275,000.00	8	0.27%
N.J. Bell Telephone				7,067,972.00	9	0.26%
Ole Hansen & Son Blue Heron				5,911,000.00	10	0.22%
Total	<u>\$ 169,570,400.00</u>		<u>4.82%</u>	<u>\$ 174,103,972.00</u>		<u>6.42%</u>

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2023	\$ 33,872,502.00	\$ 33,872,502.00	100.00%	
2022	33,990,218.00	33,990,218.00	100.00%	
2021	34,004,900.00	34,004,900.00	100.00%	
2020	33,281,291.00	33,281,291.00	100.00%	
2019	32,689,589.00	32,689,589.00	100.00%	
2018	32,149,006.00	32,149,006.00	100.00%	
2017	31,447,108.00	31,447,108.00	100.00%	
2016	31,466,411.00	31,466,411.00	100.00%	
2015	31,348,072.00	31,348,072.00	100.00%	
2014	30,193,840.00	30,193,840.00	100.00%	

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District Debt	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Financed Purchases (1)	Lease Liability (1)			
2023	\$ 169,000.00	\$ 20,567.00	\$ 145,537.18	\$ 335,104.18	Unavailable	Unavailable
2022	338,000.00	30,121.20	468,998.29	837,119.49	Unavailable	\$ 22.11
2021	507,000.00	144,318.51		651,318.51	0.03%	17.17
2020	676,000.00	331,747.70		1,007,747.70	0.05%	28.40
2019	845,000.00	531,996.06		1,376,996.06	0.08%	38.68
2018	1,014,000.00	588,120.98		1,602,120.98	0.09%	44.80
2017	1,183,000.00	241,724.66		1,424,724.66	0.09%	39.61
2016	1,352,000.00	43,643.70		1,395,643.70	0.09%	38.50
2015	2,906,000.00	64,158.67		2,970,158.67	0.18%	81.03
2014	4,455,000.00	84,793.16		4,539,793.16	0.28%	122.61

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2023	\$ 169,000.00	-	\$ 169,000.00	0.01%	Unavailable
2022	338,000.00	-	338,000.00	0.01%	\$ 8.93
2021	507,000.00	-	507,000.00	0.02%	13.37
2020	676,000.00	-	676,000.00	0.02%	19.05
2019	845,000.00	-	845,000.00	0.03%	23.74
2018	1,014,000.00	-	1,014,000.00	0.04%	28.35
2017	1,183,000.00	-	1,183,000.00	0.04%	32.89
2016	1,352,000.00	-	1,352,000.00	0.05%	37.30
2015	2,906,000.00	-	2,906,000.00	0.11%	79.28
2014	4,455,000.00	-	4,455,000.00	0.16%	120.32

Sources:

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2022
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Galloway Township</u>
Municipal Debt: (1)				
Galloway Township School District	\$ 338,000.00	\$ 338,000.00		
Galloway Township	<u>37,070,210.50</u>	<u>29,698,674.50</u>	<u>\$ 7,371,536.00</u>	<u>\$ 7,371,536.00</u>
	<u>37,408,210.50</u>	<u>30,036,674.50</u>	<u>7,371,536.00</u>	<u>7,371,536.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Atlantic: (2)				
General:				
Bonds	137,456,000.00	9,911,000.00	127,545,000.00	11,623,002.55
Loans	64,469.00		64,469.00	5,874.97
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>64,125,000.00</u>	<u>64,125,000.00</u>		
	<u>201,645,469.00</u>	<u>74,036,000.00</u>	<u>127,609,469.00</u>	<u>11,628,877.53</u>
	<u>\$ 239,053,679.50</u>	<u>\$ 104,072,674.50</u>	<u>\$ 134,981,005.00</u>	<u>\$ 19,000,413.53</u>

Sources:

- (1) 2022 Annual Debt Statement
 - (2) County's 2022 Annual Debt Statement
 - (3) Includes County College Bond:
 - (4) Deductible in accordance with N.J.S. 40:37A-80
 - (5) Such debt is allocated as a proportion of the Township's share of the total 2022 Equalized Value, which is 9.11
- The source for this computation was the 2022 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxat

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis (1)

\$	3,597,061,147.00	2022
	3,176,804,638.00	2021
	<u>2,938,401,012.00</u>	2020

\$ 9,712,266,797.00

\$ 3,237,422,265.67 Average equalized valuation of taxable property

\$ 97,122,667.97 Debt limit (3% of average equalization value) (2)
169,000.00 Total Net Debt Applicable to Limit

\$ 96,953,667.97 Legal Debt Margin

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 97,122,667.97	\$ 89,809,076.56	\$ 85,309,305.48	\$ 83,444,990.91	\$ 82,493,548.42	\$ 84,448,038.89	\$ 86,841,166.54	\$ 90,018,699.83	\$ 93,255,591.53	\$ 97,321,092.26
Total net debt applicable to limit (3)	<u>169,000.00</u>	<u>338,000.00</u>	<u>507,000.00</u>	<u>676,000.00</u>	<u>845,000.00</u>	<u>1,014,000.00</u>	<u>1,183,000.00</u>	<u>1,352,000.00</u>	<u>2,906,000.00</u>	<u>4,455,000.00</u>
Legal debt margin	<u>\$ 96,953,667.97</u>	<u>\$ 89,471,076.56</u>	<u>\$ 84,802,305.48</u>	<u>\$ 82,768,990.91</u>	<u>\$ 81,648,548.42</u>	<u>\$ 83,434,038.89</u>	<u>\$ 85,658,166.54</u>	<u>\$ 88,666,699.83</u>	<u>\$ 90,349,591.53</u>	<u>\$ 92,866,092.26</u>
Total net debt applicable to the limit as a percentage of debt limit	0.17%	0.38%	0.59%	0.81%	1.02%	1.20%	1.36%	1.50%	3.12%	4.58%

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2022	37,870	Unavailable	Unavailable	4.5%
2021	37,925	\$ 2,211,406,750.00	\$ 58,310.00	8.2%
2020	35,487	1,980,245,574.00	55,802.00	16.5%
2019	35,596	1,802,261,076.00	50,631.00	4.4%
2018	35,763	1,740,513,684.00	48,668.00	5.1%
2017	35,967	1,674,227,883.00	46,549.00	6.3%
2016	36,250	1,638,173,750.00	45,191.00	6.6%
2015	36,655	1,625,465,975.00	44,345.00	8.5%
2014	37,026	1,613,963,340.00	43,590.00	9.5%
2013	37,252	1,581,496,408.00	42,454.00	10.8%

Sources:

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

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

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Atlantic City Medical Center				3,500	1	19%
Federal Aviation Administration				3,000	2	16%
Richard Stockton College				840	3	4%
Marriott Corporation / Marriott Country Club				550	4	3%
Betty Bacharach Rehabilitation Center				525	5	3%
Ole Hansen & Sons		Information Unavailable		400	6	2%
Renault Winery				290	7	2%
Village of Smithville				200	8	1%
Blue Heron Pines				Unavailable	9	Unavailable
Lenox China				Unavailable	10	Unavailable
	<u>-</u>		<u>-</u>	<u>9,305</u>		<u>49.81%</u>

Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction										
Regular	224	208	219	231	230	226	208	213	205	203
Special education	74	82	77	83	84	86	79	88	85	84
Other special education	40	93	55	39	39	40	37	49	47	47
Other instruction	17	33	33	32	31	32	30	31	30	30
Support Services:										
Student & instruction related services	117	82	99	98	101	91	80	71	68	66
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	24	24	24	24	24	24	24	24	23	23
Business administrative services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	44	48	46	46	46	46	45	50	48	47
Pupil transportation	1	1	1	2	2	2	2	2	2	2
Food Service	44	44	45	48	48	40	25	25	24	26
Community Education and Recreation	0	0	0	0	1	1	2	2	2	2
Total	<u>594</u>	<u>624</u>	<u>608</u>	<u>612</u>	<u>615</u>	<u>597</u>	<u>541</u>	<u>564</u>	<u>543</u>	<u>539</u>

Source: District Records

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

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2023	3,256	\$ 79,187,498.62	\$ 24,320.48	4.79%	355	11.2/1	11.2/1	3,059.9	2,860.9	-0.58%	93.50%
2022	3,257	75,589,709.23	23,208.38	5.86%	416	11.4/1	10.7/1	3,077.8	2,890.1	-2.43%	93.90%
2021	3,330	73,003,066.60	21,922.84	-0.25%	384	11.8/1	10.6/1	3,154.6	3,013.8	-4.91%	95.54%
2020	3,343	73,472,737.74	21,978.08	1.49%	385	10.9/1	10.3/1	3,317.5	3,204.7	0.48%	96.60%
2019	3,313	71,744,267.00	21,655.38	6.96%	384	11.0/1	11.0/1	3,301.8	3,138.8	-0.26%	95.06%
2018	3,328	67,380,696.98	20,246.60	2.04%	384	11.1/1	11.1/1	3,310.6	3,148.0	0.66%	95.09%
2017	3,318	65,834,166.31	19,841.52	5.27%	354	11.2/1	11.2/1	3,288.8	3,138.0	0.16%	95.41%
2016	3,299	62,181,833.58	18,848.69	2.27%	354	11.3/1	11.3/1	3,283.7	3,141.5	0.47%	95.67%
2015	3,282	60,490,166.55	18,430.89	8.97%	341	9.6/1	9.6/1	3,268.4	3,126.4	-2.14%	95.66%
2014	3,450	58,349,848.47	16,913.00	2.62%	313	11.5/1	11.5/1	3,339.8	3,191.9	-1.89%	95.57%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Arthur Rann (1965,1978,1984,1987)										
Square Feet	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531
Capacity (students)	740	740	740	740	740	740	740	740	740	740
Enrollment	642	643	664	676	680	656	689	689	647	656
Oceanville (1927,1953)										
Square Feet	n/a	n/a	n/a	14,260	14,260	14,260	14,260	14,260	14,260	14,260
Capacity (students)	n/a	n/a	n/a	180	180	180	180	180	180	180
Enrollment	sold	sold	sold	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Pomona (1930,1965,1979)										
Square Feet	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	107	106	97	119	132	132	130	119	107	85
Reeds Road School (1988)										
Square Feet	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643
Capacity (students)	787	787	787	787	787	787	787	787	787	787
Enrollment	493	493	490	542	559	567	557	605	613	617
Roland Rogers School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	547	540	534	573	563	532	540	525	535	532
Smithville School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	578	579	579	663	629	683	648	628	621	640
<u>Middle School</u>										
Galloway Township Middle School (2000)										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	723	735	727	770	750	758	754	755	759	807

Number of Schools at June 30, 2023

 Elementary = 5

 Middle School = 1

 High School = 0

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

Source: District Records

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

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

* School Facilities	Project #	Fiscal Year Ended June 30,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Galloway Middle School	016	\$ 270,540.27	\$ 346,053.55	\$ 596,541.81	\$ 373,724.34	\$ 271,016.39	\$ 257,364.89	\$ 510,462.77	\$ 306,503.65	\$ 151,017.05	\$ 149,696.04
Arthur Rann	015	181,968.17	242,169.22	314,482.43	162,546.94	215,652.26	229,313.71	176,055.14	125,139.76	103,854.19	87,185.99
Cologne	020				575.09	98.00			153.61	656.14	1,489.58
Oceanville	030	7,994.20	30,541.62	19,659.78	76,299.25	78,168.90	74,797.41	29,072.02	22,815.66	25,073.65	39,046.45
Pomona	040	60,948.82	64,614.78	142,440.26	101,143.74	72,292.36	48,391.18	58,844.05	73,475.79	46,344.57	73,802.90
Reeds Road	045	131,179.81	269,602.14	409,118.34	256,909.50	270,243.10	179,913.19	266,186.14	203,176.52	117,862.59	126,537.65
Roland Rogers	046	109,437.38	197,405.86	362,051.73	168,546.71	133,714.66	267,890.62	172,711.77	101,641.46	91,543.61	109,746.06
Smithville	048	160,166.06	297,194.92	333,756.51	203,290.54	122,425.55	335,267.62	155,460.75	123,571.97	116,362.45	114,989.16
South Egg Harbor Administration	050 999					26.13	242.30	1,187.75	426.69	705.35	885.35
		44,913.87	79,424.08	198,222.95	57,933.31	42,066.17	112,073.32	49,859.03	38,009.46	54,082.07	28,385.89
Total School Facilities		<u>967,148.58</u>	<u>1,527,006.17</u>	<u>2,376,273.81</u>	<u>1,400,969.44</u>	<u>1,205,703.52</u>	<u>1,505,254.26</u>	<u>1,419,839.44</u>	<u>994,914.57</u>	<u>707,501.67</u>	<u>731,765.07</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 967,148.58</u>	<u>\$ 1,527,006.17</u>	<u>\$ 2,376,273.81</u>	<u>\$ 1,400,969.44</u>	<u>\$ 1,205,703.52</u>	<u>\$ 1,505,254.26</u>	<u>\$ 1,419,839.44</u>	<u>\$ 994,914.57</u>	<u>\$ 707,501.67</u>	<u>\$ 731,765.07</u>

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

Source: District Records

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Insurance Schedule

June 30, 2023

Unaudited

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

Excess and Reinsurance Carriers Involved

Property and Crime:

- | | |
|---------------------------------------|--|
| Great American Insurance Company | Accredited Specialty Insurance Co. |
| Accredited Specialty Insurance Co. | Arch Specialty Insurance Company |
| Aspen Specialty Insurance Company | AXIS Surplus Insurance Company |
| Endurance American Specialty Ins. Co. | Evanston Insurance Company |
| Everest National Insurance Company | General Security Indemnity Co. of Arizona |
| General Star Indemnity Company | Hallmark Specialty Insurance Company |
| Houston casualty Company | Independent Specialty Ins. Co. |
| Interstate Fire & casualty Company | Ironshore Specialty Insurance Company |
| Lancashire Insurance Company Ltd. | Lloyd's of London |
| Mitsui Sumitomo Ins. Co. of America | National Union Fire Ins. Co. of Pittsburgh |
| Palomar Excess & Surplus Ins. Co. | Princeton Excess & Surplus Lines Ins. Co. |
| QBE Specialty Insurance Company | Renaissance Re Specialty U.S. Ltd. |
| RSUI Indemnity Company | Starstone Specialty Insurance Co. |
| Transverse Specialty Insurance Co. | Westchester Fire Insurance Company |
| Western World Insurance Company | Westfield Specialty Insurance Company |

General Liability and Automobile Liability:

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

Workers Compensation:

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

Educators Legal Liability:

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

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2023, 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 January 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
January 29, 2024

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of Galloway School District's, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Township of Galloway School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
January 29, 2024

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023

Table with columns: Pass-through Grantor/Program Title, Federal Assistance Listing Number, Additional Award Identification, Federal FAIN Number, Pass-through Entity Identifying Number, Award Amount, Grant Period (From/To), Balance June 30, 2022. Rows include General Fund, Special Revenue Fund, and Enterprise Fund.

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

Carry-over Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2023		Due to Grantor
		Pass-through Funds	Direct Funds	Total Budgetary Expenditures				Accounts Receivable	Unearned Revenue	
-	\$ 33,011.57	\$ 33,011.57	-	\$ 33,011.57	-	-	-	-	-	-
-	330,246.56	256,633.36	-	256,633.36	-	-	-	-	-	-
-	56,940.18	48,986.32	-	48,986.32	-	-	-	-	-	-
-	29,569.32	29,569.32	-	29,569.32	-	-	-	-	-	-
-	416,756.06	335,189.00	-	335,189.00	-	-	-	-	-	-
-	449,767.63	368,200.57	-	368,200.57	-	-	-	-	-	-
-	450,742.00	-	-	932.53	-	-	-	-	-	-
-	643,982.00	878,321.15	-	877,388.62	-	-	-	\$ (296,801.00)	\$ 63,394.38	-
-	15,000.00	14,948.82	-	14,948.82	-	-	-	-	51.18	-
-	1,109,724.00	893,269.97	-	893,269.97	-	-	-	(296,801.00)	63,445.56	-
-	19,455.00	-	-	-	-	\$ (0.21)	-	-	-	-
-	97,031.00	125,619.71	-	125,619.71	-	(0.29)	-	(49,012.00)	20,423.00	-
-	116,486.00	125,619.71	-	125,619.71	-	(0.50)	-	(49,012.00)	20,423.00	-
-	3,335.00	-	-	-	-	(0.48)	-	-	-	-
-	3,716.00	25,964.22	-	25,964.22	-	0.22	-	(28,152.00)	2,188.00	-
-	3,710.00	3,710.42	-	3,710.42	-	0.42	-	(2,601.00)	2,601.00	-
-	10,761.00	29,674.64	-	29,674.64	-	0.58	-	(30,753.00)	4,789.00	-
-	15,464.00	-	-	-	-	(0.32)	-	-	-	-
-	33,200.00	54,900.25	-	54,900.25	-	0.25	-	(70,114.00)	48,414.00	-
-	48,664.00	54,900.25	-	54,900.25	-	(0.07)	-	(70,114.00)	48,414.00	-
-	559,884.00	-	-	-	-	0.22	-	-	-	-
-	759,530.00	915,035.85	-	915,035.85	-	(0.15)	-	(202,291.00)	46,785.00	-
-	173,294.00	102,799.01	-	102,799.01	-	-	-	(1,833.00)	-	-
-	1,492,708.00	1,017,834.86	-	1,017,834.86	-	0.07	-	(204,124.00)	46,785.00	-
-	27,945.00	-	-	-	-	0.13	-	-	-	-
-	22,050.00	37,179.26	-	37,179.26	-	0.26	-	(22,618.00)	7,489.00	-
-	14,537.00	302.00	-	302.00	-	-	-	(1,481.00)	-	-
-	64,532.00	37,481.26	-	37,481.26	-	0.39	-	(24,099.00)	7,489.00	-
-	1,557,240.00	1,055,316.12	-	1,055,316.12	-	0.46	-	(228,223.00)	54,274.00	-
-	213,774.00	227,098.99	-	227,098.99	-	-	-	(127,224.00)	-	-
-	68,584.00	77,967.74	-	77,967.74	-	0.48	-	(48,569.00)	-	-
-	17,068.00	16,373.22	-	16,373.22	-	-	-	(1,449.00)	-	-
-	2,515,199.00	1,765,575.80	-	1,765,575.80	-	-	-	(2,404,294.00)	1,285,899.42	-
-	102,576.00	101,577.30	-	101,577.30	-	-	-	(220,145.00)	219,954.43	-
-	7,611.00	16,564.19	-	16,564.19	-	-	-	(40,000.00)	40,000.00	-
-	2,145.00	7,610.87	-	7,610.87	-	-	-	(40,000.00)	23,435.81	-
-	-	29,582.29	-	29,582.29	-	-	-	(37,389.00)	37,389.13	-
-	-	-	-	-	-	-	-	(40,509.00)	13,071.71	-
-	2,926,957.00	2,242,350.40	-	2,242,350.40	-	0.48	-	(2,959,579.00)	1,619,750.50	-
-	5,769,832.00	4,401,131.09	-	4,401,131.09	-	0.95	-	(3,634,482.00)	1,811,096.06	-
-	5,769,832.00	4,401,131.09	-	4,401,131.09	-	0.95	-	(3,634,482.00)	1,811,096.06	-
-	86,509.45	-	-	-	-	-	-	(31,618.13)	-	-
-	432,685.08	464,303.21	-	464,303.21	-	-	-	-	-	-
-	113,595.83	113,595.83	-	113,595.83	-	-	-	-	-	-
-	1,702.00	-	-	-	-	-	-	-	-	-
-	29,810.16	31,064.04	-	31,064.04	-	-	-	(1,253.88)	-	-
-	152,136.56	-	-	-	-	-	-	-	-	-
-	1,014,767.63	1,089,672.74	-	1,089,672.74	-	-	-	(74,905.11)	-	-
-	155,009.16	155,009.16	-	155,009.16	-	-	-	-	-	-
-	1,986,215.87	1,853,644.98	-	1,853,644.98	-	-	-	(107,777.12)	-	-
-	15,575.38	15,575.38	-	15,575.38	-	-	-	-	-	-
-	15,575.38	15,575.38	-	15,575.38	-	-	-	-	-	-
-	2,001,791.25	1,869,220.36	-	1,869,220.36	-	-	-	(107,777.12)	-	-
-	1,571.20	1,571.20	-	1,571.20	-	-	-	-	-	-
-	2,003,362.45	1,870,791.56	-	1,870,791.56	-	-	-	(107,777.12)	-	-
-	\$ 8,222,962.08	\$ 6,640,123.22	-	\$ 6,640,123.22	-	\$ 0.95	-	\$ (3,742,259.12)	\$ 1,811,096.06	-

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Table with columns: State Grantor/Program Title, State Project Number, Award Amount, Required Match, Grant Period (From, To), Unearned Revenue / Accounts Receivable, Due to Grantor, Cash Received. Includes sections for General Fund, Special Revenue Fund, Debt Service Fund, and Enterprise Fund.

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

Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
				Accounts Receivable	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
\$ 22,633,331.00				\$ (2,199,154.24)			\$ (2,199,154.24)	\$ 22,633,331.00
1,996,732.00				(194,011.29)			(194,011.29)	1,996,732.00
739,882.00				(71,890.20)			(71,890.20)	739,882.00
25,369,945.00	-	-	-	(2,465,055.73)	-	-	(2,465,055.73)	25,369,945.00
1,088,704.00				(105,783.28)			(105,783.28)	1,088,704.00
48,390.00				(48,390.00)				48,390.00
1,137,094.00	-	-	-	(154,173.28)	-	-	(105,783.28)	1,137,094.00
963,569.00				(963,569.00)				963,569.00
963,569.00	-	-	-	(963,569.00)	-	-	-	963,569.00
19,140.00				(19,140.00)				19,140.00
19,140.00	-	-	-	(19,140.00)	-	-	-	19,140.00
2,138,956.38				(103,179.65)				2,138,956.38
2,138,956.38	-	-	-	(103,179.65)	-	-	-	2,138,956.38
10,404.00	-	-	-	-	-	-	-	10,404.00
170,923.00	-	-	-	-	-	-	-	170,923.00
2,674,574.00								2,674,574.00
10,041,870.00								10,041,870.00
139,320.00								139,320.00
3,295.00								3,295.00
12,859,059.00	-	-	-	-	-	-	-	12,859,059.00
42,669,090.38	-	-	-	(3,705,117.66)	-	-	(2,570,839.01)	42,669,090.38
65,947.08		\$ 0.08	\$ 1,164.00			\$ 1,365.00		65,947.08
37,007.87		(0.13)	4,524.00			2,658.00		37,007.87
25,055.06		0.06	1,145.00			187.00		25,055.06
142,080.71		(0.29)	7,966.00			2,444.00		142,080.71
102,435.49		0.49	16,430.00			4,302.00		102,435.49
13,020.00			4,125.00					13,020.00
49,412.81		(0.19)	3,021.00			147.00		49,412.81
54,814.00								54,814.00
489,773.02	-	0.02	38,375.00	-	-	11,103.00	-	489,773.02
6,660.00			-	-	-	-	-	-
2,913,596.00				(281,524.00)			(281,524.00)	2,913,596.00
2,913,596.00	-	-	-	(281,524.00)	-	-	(281,524.00)	2,913,596.00
73,629.66	-	-	-	-	\$ 323.34	-	-	-
3,483,658.68	-	0.02	38,375.00	(281,524.00)	323.34	11,103.00	(281,524.00)	3,403,369.02
72,234.00	-	-	-	-	-	-	-	72,234.00
35,498.08				(2,497.23)				35,498.08
6,275.70				(443.10)				6,275.70
3,803.90				(254.20)				3,803.90
570.60								570.60
46,148.28	-	-	-	(3,194.53)	-	-	-	46,148.28
46,271,131.34	-	\$ 0.02	\$ 38,375.00	\$ (3,989,836.19)	\$ 323.34	\$ 11,103.00	\$ (2,852,363.01)	\$ 46,190,841.68
2,674,574.00								2,674,574.00
10,041,870.00								10,041,870.00
139,320.00								139,320.00
3,295.00								3,295.00
12,859,059.00								12,859,059.00
\$ 33,412,072.34								\$ 33,412,072.34

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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, debt service 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 \$36,507.00 for the general fund and \$151,514.96 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.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts 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	\$ 368,200.57	\$ 42,705,597.38	\$ 43,073,797.95
Special Revenue	4,595,710.14	3,440,594.59	8,036,304.73
Debt Service		72,234.00	72,234.00
Food Service	1,870,791.56	46,148.28	1,916,939.84
	<u>6,834,702.27</u>	<u>46,264,574.25</u>	<u>53,099,276.52</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		(115,610.00)	(115,610.00)
Encumbrances	(194,579.05)	23,811.09	(170,767.96)
Preschool Education Aid Carryover		98,356.00	98,356.00
	<u>(194,579.05)</u>	<u>6,557.09</u>	<u>(188,021.96)</u>
Total Awards and Financial Assistance Expended	<u>\$ 6,640,123.22</u>	<u>\$ 46,271,131.34</u>	<u>\$ 52,911,254.56</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent minor rounding differences.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: ANNUAL SCHOOL PLAN FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	<u>\$ 884,646.00</u>

Note 9: MAJOR PROGRAMS

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

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Elementary and Secondary School Emergency Relief Fund:
84.425D	S425D210027	ESSER II
84.425D	S425D210027	Learning Acceleration
84.425D	S425D210027	Mental Health
84.425U	S425U210027	ARP - ESSER III
84.425U	S425U210027	ARP - Accelerated Learning Coach & Educator Support
84.425U	S425U210027	ARP - Evidence Based Summer Learning & Enrichment
84.425U	S425U210027	ARP - Evidence Based Comprehensive Beyond the School Day
84.425U	S425U210027	ARP - NJTSS Mental Health Support Staff
84.425W	S425W210031	ARP - Homeless II
		Child Nutrition Cluster:
10.555	231NJ304N1199	Food Distribution Program
10.555	231NJ304N1199	National School Lunch Aid
10.555	231NJ304N1199	After School Snack
10.555	231NJ304N1199	Supply Chain Assistance Funding
10.553	231NJ304N1199	National School Breakfast
10.559	231NJ304N1199	Child Nutrition Summer Programs
84.010	S010A200030	Title I, Part A Grants to Local Agencies

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

Auditee qualified as low-risk auditee? X yes _____ no

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ X no

Significant deficiency(ies) identified? ___ yes ___ X none reported

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

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

Identification of major programs:

GMS Number(s)

Name of State Program

23-495-034-5120-078

State Aid Public: Equalization Aid

23-495-034-5120-089

Categorical Special Education Aid

23-495-034-5120-084

Categorical Security Aid

23-495-034-5120-014

Transportation Aid: Categorical Transportation Aid

23-495-034-5120-014

Additional Non-Public Transportation Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 1,002,362.00

Auditee qualified as low-risk auditee? ___ X ___ yes ___ no

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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.

None.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2022-001

Condition

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

Current Status

The finding has been resolved.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None