

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

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



**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Other Information - Part I	
Introduction Section	
Letter of Transmittal	1 - 5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 Financial section	
Independent Auditors' Report	9 - 12
 Required Supplementary Information - Part I	
Management's Discussion and Analysis	13 - 22
 Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	23 - 24
A-2 Statement of Activities	25
 B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	26 - 27
B-2 Statement of Revenues, Expenditures, and Change in Fund Balances	28 - 29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30 - 31
Proprietary Funds	
B-4 Statement of Net Position	32
B-5 Statement of Revenues, Expenses, and Changes in Net Position	33
B-6 Statement of Cash Flows	34
Fiduciary Funds	
B-7 Statement of Net Position	N/A
B-8 Statement of Changes in Net Position	N/A
 Notes to the Financial Statements	35 - 69

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 General Fund - Budgetary Comparison Schedule	70 - 76
C-1a Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Special Revenue Fund - Budgetary Comparison Schedule	77
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	78
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	79
L-2 Schedule of District's Contributions - Public Employees Retirement System	80
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	81
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	82
M. Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	83
Notes to the Required Supplementary Information - Part III	84

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Information - Part II	
D. School Based Budget Schedules	N/A
Combining and Individual Non-Major Fund Financial Statements	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	85 - 88
E-2 Schedule of Preschool Education Aid Expenditure	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	N/A
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Net Position	N/A
G-2 Statement of Revenues, Expenses, and Changes in Net Position	N/A
G-3 Statement of Cash Flows	N/A
H. Fiduciary Funds	N/A
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	89
I-2 Schedule of Obligations Under Leases	90
I-3 Debt Service Fund - Budgetary Comparison Schedule	91
Statistical Section	
J. Statistical Section	
J-1 Net Position by Component	92
J-2 Changes in Net Position	93 - 95
J-3 Fund Balances - Governmental Funds	96
J-4 Changes in Fund Balances - Governmental Funds	97 - 98
J-5 General Fund - Other Local Revenues by Source	99
J-6 Assessed Value and Actual Value of Taxable Property	100 - 102
J-7 Direct and Overlapping Property Tax Rates	103 - 104

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
J. Statistical Section (continued)	
J-8 Principal Property Taxpayers	105 - 106
J-9 Property Tax Levies and Collections	107
J-10 Ratios of Outstanding Debt by Type	108
J-11 Ratios of Net General Bonded Debt Outstanding	109
J-12 Direct and Overlapping Governmental Activities Debt	110
J-13 Legal Debt Margin Information	111
J-14 Demographic and Economic Statistics	112
J-15 Principal Employers	113
J-16 Full Time Equivalent District Employees by Function/Program	114
J-17 Operating Statistics	115
J-18 School Building Information	116
J-19 Schedule of Required Maintenance Expenditures by School Facility	117
J-20 Insurance Schedule	118 - 119
Single Audit Section	
K. Single Audit Section	
Other Reporting Required by Government Auditing Standards - Part I	
K-1 Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	120 -121
K-2 Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the New Jersey OMB Circular Letter 15-08	122 - 124
Supplementary Information	
K-3 Schedule of Expenditures of Federal Awards, Schedule A	125
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	126 - 127
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	128 - 129
Other Reporting Required by Government Auditing Standards - Part II	
K-6 Schedule of Findings and Questioned Costs	130 - 132
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	133

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74
Great Meadows, New Jersey 07838

MICHAEL MAI
Superintendent

Amanda Kinney
Business Administrator
Board Secretary

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

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

December 6, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Great Meadows Regional School District for the fiscal year ended June 30, 2023, is hereby submitted. Great Meadows Regional School District is a K-8 regional district. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Great Meadows Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

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

Average Daily Enrollment

Fiscal Year	Student Enrollment				Percent Change
	Central	Liberty	Middle	Total District	
2022-23	296.5	-	345.3	641.8	-2.09
2021-22	320.2	-	335.3	655.5	3.12
2020-21	283.0	-	329.8	612.8	-3.02
2019-20	286.6	-	345.2	631.8	-3.02
2018-19	210.0	199.7	241.8	651.5	-5.89
2017-18	220.3	207.2	264.9	692.3	-3.01
2016-17	219.6	219.2	275.1	713.8	0.04
2015-16	198.0	233.2	279.5	710.7	-7.00
2014-15	203.0	259.0	298.3	760.3	-6.00
2013-14	224.6	285.3	293.0	803.1	-5.09

2) ECONOMIC CONDITION AND OUTLOOK:

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

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

3) MAJOR INITIATIVES:

The School District is proud of its accomplishments they have and continue to achieve over the years of operation for the benefit of their students.

Goals for the future include:

- Commitment to environmental issues with creation of district green teams and infusion of climate awareness in curricular activities and creation of outdoor learning spaces.
- Continuing to address long range facility problems due to aging building; specifically, the next focus is the sewage treatment resolution at the Liberty School site.
- Continuing efforts to provide revenue streams into the District to offset reliance on the tax levy, most specifically, focus on the Liberty site in an effort to bring tuition students into the District, resulting reducing reliance on local tax basis.
- Focus on student social/emotional wellness by expansion of programs for students and parents.
- Maintenance of quality cost effective educational programs in light of inevitable reductions in state aid.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

At June 30, 2023, the District's outstanding debt issue is \$1,045,000.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

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

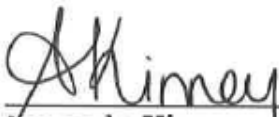
11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

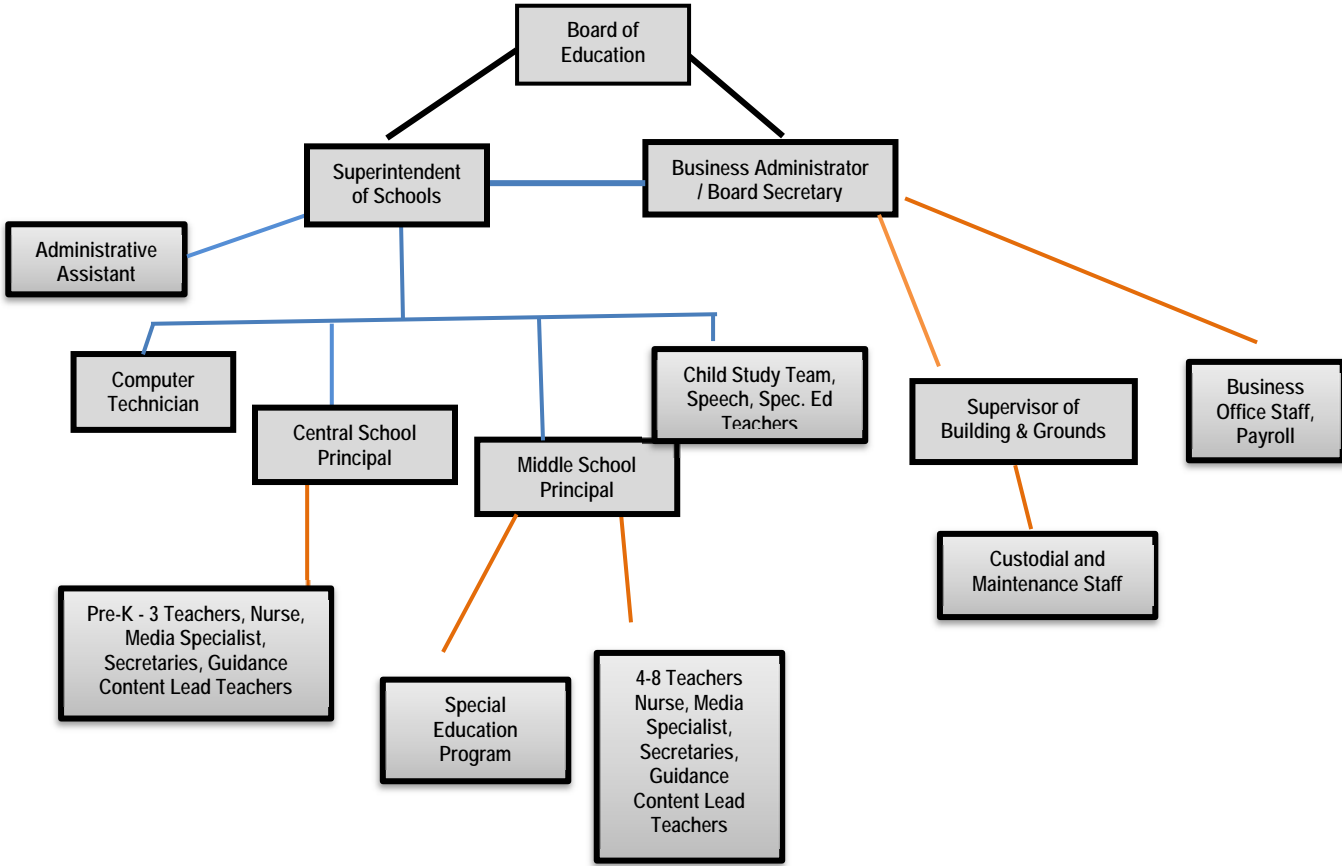


Michael Mai
Superintendent



Amanda Kinney
Business Administrator
Board Secretary

Organizational Chart



Great Meadows Regional Schools
2022-2023

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Roster of Officials
June 30, 2023

Members of the Board of Education	Title	Term Expires
Adam DeSimone	President	2025
Daria Bracuti	Vice President	2025
Lisa Green		2023
Allyson Orfield		2023
Heather Wulf		2023
Susan Deeney		2024
Shannon Schaaf		2024
Courtney Wenthien		2024
Amber Gratacos		2025

Other Officials	Title
Michael Mai	Superintendent
Abigail Postma	Board Secretary/School Business Administrator (until 2/1/23)
Angela J Moyer	Interim Board Secretary/School Business Administrator (effective 2/1/23)
Paula Hatch	Treasurer
Ari Schneider, Esq	Attorney

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

ATTORNEY

Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840

ARCHITECT

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

AUDIT FIRM

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

FISCAL AGENT

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

First Hope Bank
Route 519
Hope, New Jersey 07844

OFFICIAL DEPOSITORIES

First Hope Bank
Route 519
Hope, New Jersey 07844



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 6, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter and the District's financial statements.

Financial Highlights

- In total, net position increased \$2,502,838, which represents a 26.28% increase from 2022.
- General revenues accounted for \$23,212,317 in revenue, or 92.80% of all revenues. Program specific revenues in the form of charges for services and operating grants were \$1,800,051 or 7.20% to total revenues of \$25,012,368.
- Total assets of governmental activities increased by \$1,675,489 as cash and cash equivalents increased by \$205,928, receivables increased by \$1,717,900, and capital assets decreased by \$248,339.
- The School District had \$22,509,530 in expenses; only \$1,800,051 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$23,212,317 were adequate to provide for these programs.
- Among major funds, the general fund had \$21,419,720 in revenues, \$19,799,855 in expenditures and \$1,384 in other financing uses. The general fund balance increased by \$1,618,481 from fiscal year 2022.

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

Using This Annual Comprehensive Financial Report (ACFR)

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental Funds

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

Proprietary Funds

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

The School District as a Whole

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Table 1 provides a summary of the District's net position at June 30, 2023 with comparisons to June 30, 2022.

	Table 1		Net Position	
	<u>06/30/23</u>	<u>06/30/22</u>	<u>Variance</u>	
			Dollars	%
Assets				
Current & other assets	\$ 7,541,570	\$ 5,578,138	\$ 1,963,432	35.20%
Capital assets	9,852,405	10,098,175	(245,770)	-2.43%
Total assets	<u>17,393,975</u>	<u>15,676,313</u>	<u>1,717,662</u>	10.96%
Deferred outflows of resources				
Deferred amount on pension activity	<u>422,067</u>	<u>317,112</u>	<u>104,955</u>	33.10%
Liabilities				
Long-term liabilities	4,765,764	4,975,177	(209,413)	-4.21%
Other liabilities	<u>460,447</u>	<u>162,794</u>	<u>297,653</u>	182.84%
Total liabilities	<u>5,226,211</u>	<u>5,137,971</u>	<u>88,240</u>	1.72%
Deferred inflows of resources				
Deferred amount on pension activity	<u>561,879</u>	<u>1,330,340</u>	<u>(768,461)</u>	-57.76%
Net position				
Net investment in capital assets	7,426,499	7,030,181	396,318	5.64%
Restricted	5,306,043	4,064,681	1,241,362	30.54%
Unrestricted	<u>(704,590)</u>	<u>(1,569,748)</u>	<u>865,158</u>	55.11%
Total net position	<u>\$ 12,027,952</u>	<u>\$ 9,525,114</u>	<u>\$ 2,502,838</u>	26.28%

The net position of the District's activities increased by 26.28%. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased by \$865,158 or 55.11%. Restricted net position, those restricted mainly for capital projects increased by \$1,241,362 or 30.54%. The net investment in capital assets increased by \$396,318 or 5.64%.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2023 with comparisons to fiscal year June 30, 2022.

Table 2
Changes in Net Position

	06/30/23	06/30/22	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 270,161	\$ 148,347	\$ 121,814	82.11%
Operating grants	1,529,890	789,175	740,715	93.86%
General revenues				
Property taxes	15,986,868	15,704,009	282,859	1.80%
Unrestricted grants	7,049,037	9,484,708	(2,435,671)	-25.68%
Other	176,412	43,210	133,202	308.27%
Total revenues	<u>25,012,368</u>	<u>26,169,449</u>	<u>(1,157,081)</u>	-4.42%
Program expenses				
Instruction				
Regular	6,941,807	6,893,984	47,823	0.69%
Special	2,144,205	3,351,482	(1,207,277)	-36.02%
Other	633,473	681,973	(48,500)	-7.11%
Support services				
Tuition	5,436,780	5,595,282	(158,502)	-2.83%
Student & instructional staff	2,729,190	2,801,770	(72,580)	-2.59%
General & business administration	665,249	734,601	(69,352)	-9.44%
School administration	543,288	610,910	(67,622)	-11.07%
Maintenance	1,334,406	1,081,928	252,478	23.34%
Transportation	1,690,436	1,531,998	158,438	10.34%
Charter schools	135,699	128,035	7,664	5.99%
Food service	205,183	210,263	(5,080)	-2.42%
Interest on long-term debt	49,814	73,205	(23,391)	-31.95%
Total expenses	<u>22,509,530</u>	<u>23,695,431</u>	<u>(1,185,901)</u>	-5.00%
Change in net position	<u>\$ 2,502,838</u>	<u>\$ 2,474,018</u>	<u>\$ 28,820</u>	1.16%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 64.57% of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2023. The District's total governmental revenues were \$24,758,722 for the fiscal year ended June 30, 2023.

The total cost of all program expenses and services for governmental activities was \$23,304,347.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services in fiscal year ending June 30, 2023 and fiscal year ending June 30, 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 9,719,485	\$ 10,927,439	\$ 8,970,753	\$ 10,623,962
Support services				
Tuition	5,436,780	5,595,282	4,928,126	5,417,495
Student & instructional staff	2,729,190	2,801,770	2,439,637	2,636,855
General & business				
administration	665,249	734,601	665,249	734,601
School administration	543,288	610,910	543,288	610,910
Plant operations & maintenance	1,334,406	1,081,928	1,334,406	1,075,828
Pupil transportation	1,690,436	1,531,998	1,689,586	1,529,164
Charter schools	135,699	128,035	135,699	128,035
Food service	205,183	210,263	(47,079)	(72,146)
Interest on long-term debt	49,814	73,205	49,814	73,205
Total expenses	\$ 22,509,530	\$ 23,695,431	\$ 20,709,479	\$ 22,757,909

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

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

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

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

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

The School District's Funds

All governmental funds, which are comprised of the general fund, special revenue fund, capital projects fund, and debt service fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,443,736, expenditures were \$21,832,508 and other financing uses were \$1,384. The net increase in fund balance was most significant in the general fund.

General Fund Budgeting Highlights

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

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

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

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

During the course of the 2023 fiscal year, the District amended its general fund budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

For the general fund, budgetary basis revenues were \$18,747,230 which was \$772,400 above the original budget estimates of \$17,974,830. General fund revenues and other financing sources were more than expenditures and other financing uses by \$1,523,927.

Capital Assets

At the end of the fiscal year 2023, the School District had \$9,852,405 invested in land, buildings, furniture and equipment, vehicles, and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2023 with comparisons to June 30, 2022.

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

	06/30/23	06/30/22	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653	\$ -	0.00%
Construction in progress	295,941	14,888	281,053	1887.78%
Land improvements	198,447	213,965	(15,518)	-7.25%
Buildings & improvements	9,046,665	9,570,482	(523,817)	-5.47%
Furniture & equipment	151,699	139,187	12,512	8.99%
Total	<u>\$ 9,852,405</u>	<u>\$ 10,098,175</u>	<u>\$ (245,770)</u>	<u>-2.43%</u>

Overall capital assets decreased \$245,770 from fiscal year 2022 to fiscal year 2023. This is attributable to depreciation expense exceeding capital outlay.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Long-term Liabilities and Debt

At year end, the District had total long-term liabilities of \$4,765,764 outstanding as compared to \$4,975,177 in the previous year, a decrease of 4.21% as shown in Table 5.

Table 5 provides a summary of the District's long-term liabilities at June 30, 2023 with comparisons to June 30, 2022.

Table 5
Long-term Liabilities at Year End

	06/30/23	06/30/22	Variance	
			Dollars	%
2008 Refunding bonds	\$ 1,045,000	\$ 1,540,000	\$ (495,000)	-32.14%
Premium on bonds	58,878	98,129	(39,251)	-40.00%
Compensated absences	133,395	177,899	(44,504)	-25.02%
PERS net pension liability	2,147,585	1,631,155	516,430	31.66%
Leases payable	1,380,906	1,527,994	(147,088)	-9.63%
Total	\$ 4,765,764	\$ 4,975,177	\$ (209,413)	-4.21%

The general obligation bonded debt of the District is limited by State law to 3 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$28,590,042. General obligation debt authorized and outstanding at June 30, 2023 is \$1,045,000 resulting in a legal debt margin of \$27,545,042.

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

Factors Bearing on the District's Future

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The challenges presented to the district during the COVID-19 pandemic have affected the educational priorities of the District and the focus of financial investments. Sanitation and facility safety have also expanded the dependency on financial resources to ensure a safe learning environment for student return to the on-site learning. Specifically, the District has taken positive action to apply for grants to address alternative resolution to sewage treatment at the Liberty site and the hvac system controls at the Middle School. In efforts to ease financial issues the district has preliminary agreed to join a study on possible regionalization study with neighboring districts experiencing declining student enrollment and state aid.

The Great Meadows Regional School District will continue to make every possible effort to keep the local tax levy increase within the 2% cap. This tax levy cap presents significant challenges to the District as costs for special education, personnel, benefits and operating costs tend to rise at a faster rate. That fact in conjunction with the conclusion of various pandemic related relief grant programs continues to substantially challenge the District's ability to expand educational opportunities. Currently the State has offered stabilization grant to assist with the financial challenges of maintaining enriched educational programs.

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 783,154	\$ 160,473	\$ 943,627
Receivables, net	2,032,298	2,791	2,035,089
Inventory	-	6,811	6,811
Restricted assets			
Capital reserve account - cash	3,450,697	-	3,450,697
Emergency reserve account - cash	250,000	-	250,000
Maintenance reserve account - cash	834,068	-	834,068
Student activities - cash	21,278	-	21,278
Capital assets, net			
Land and construction in progress	455,594	-	455,594
Other capital assets, net of depreciation and amortization	9,394,242	2,569	9,396,811
Total assets	17,221,331	172,644	17,393,975
Deferred outflows of resources			
Deferred amount on pension activity	422,067	-	422,067
Liabilities			
Accounts payable	399,543	2,943	402,486
Accrued interest	28,222	-	28,222
Payroll deductions and withholding payable	15,965	-	15,965
Unearned revenue	4,237	9,537	13,774
Long-term liabilities			
Due within one year	715,735	-	715,735
Due beyond one year	4,050,029	-	4,050,029
Total liabilities	5,213,731	12,480	5,226,211
Deferred inflows of resources			
Deferred amount on pension liability	561,879	-	561,879

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position			
Net investment in capital assets	\$ 7,423,930	\$ 2,569	\$ 7,426,499
Restricted for			
Capital reserve	3,450,697	-	3,450,697
Emergency reserve	250,000	-	250,000
Maintenance reserve	834,068	-	834,068
Student activities	21,278	-	21,278
Tuition reserve	750,000	-	750,000
Unrestricted	<u>(862,185)</u>	<u>157,595</u>	<u>(704,590)</u>
Total net position	<u>\$ 11,867,788</u>	<u>\$ 160,164</u>	<u>\$ 12,027,952</u>

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Activities
June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,616,290	\$ 3,325,517	\$ 32,701	\$ 579,413	\$ -	\$ (6,329,693)	\$ -	\$ (6,329,693)
Special education	1,108,821	1,035,384	46,822	8,771	-	(2,088,612)	-	(2,088,612)
Other special instruction	245,805	319,314	-	81,025	-	(484,094)	-	(484,094)
Other instruction	63,864	4,490	-	-	-	(68,354)	-	(68,354)
Support services								
Tuition	5,436,780	-	-	508,654	-	(4,928,126)	-	(4,928,126)
Students and instruction related services	1,643,917	1,085,273	60,617	228,936	-	(2,439,637)	-	(2,439,637)
General and business administration services	514,487	150,762	-	-	-	(665,249)	-	(665,249)
School administration services	303,306	239,982	-	-	-	(543,288)	-	(543,288)
Plant operations and maintenance	1,215,586	118,820	-	-	-	(1,334,406)	-	(1,334,406)
Pupil transportation	1,690,436	-	850	-	-	(1,689,586)	-	(1,689,586)
Transfer to charter schools	135,699	-	-	-	-	(135,699)	-	(135,699)
Interest on long-term debt	49,814	-	-	-	-	(49,814)	-	(49,814)
Total governmental activities	<u>16,024,805</u>	<u>6,279,542</u>	<u>140,990</u>	<u>1,406,799</u>	<u>-</u>	<u>(20,756,558)</u>	<u>-</u>	<u>(20,756,558)</u>
Business-type activities								
Food service	205,183	-	129,171	123,091	-	-	47,079	47,079
Total business-type activities	<u>205,183</u>	<u>-</u>	<u>129,171</u>	<u>123,091</u>	<u>-</u>	<u>-</u>	<u>47,079</u>	<u>47,079</u>
Total primary government	<u>\$ 16,229,988</u>	<u>\$ 6,279,542</u>	<u>\$ 270,161</u>	<u>\$ 1,529,890</u>	<u>\$ -</u>	<u>(20,756,558)</u>	<u>47,079</u>	<u>(20,709,479)</u>
			General revenues, special items and transfers					
						15,572,470	-	15,572,470
						414,398	-	414,398
						7,049,037	-	7,049,037
						131,537	-	131,537
						44,875	-	44,875
						(1,384)	1,384	-
						<u>23,210,933</u>	<u>1,384</u>	<u>23,212,317</u>
						2,454,375	48,463	2,502,838
						9,413,413	111,701	9,525,114
						<u>\$ 11,867,788</u>	<u>\$ 160,164</u>	<u>\$ 12,027,952</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 783,154	\$ -	\$ -	\$ -	\$ 783,154
Due from other funds	168,094	-	-	-	168,094
Receivables from other governments					
Federal	-	371,204	-	-	371,204
State	294,520	-	-	-	294,520
Local	1,352,479	1,464	-	-	1,353,943
Other accounts receivable	12,631	-	-	-	12,631
Restricted cash and equivalents	4,534,765	21,278	-	-	4,556,043
Total assets	\$ 7,145,643	\$ 393,946	\$ -	\$ -	\$ 7,539,589
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 168,094	\$ -	\$ -	\$ 168,094
Accounts payable	199,206	200,337	-	-	399,543
Payroll deductions and withholdings payable	15,965	-	-	-	15,965
Unearned revenue	-	4,237	-	-	4,237
Total liabilities	215,171	372,668	-	-	587,839

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus - current year	\$ 524,883	\$ -	\$ -	\$ -	\$ 524,883
Capital reserve	3,450,697	-	-	-	3,450,697
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	834,068	-	-	-	834,068
Tuition reserve					
Year 2021 - 2022	250,000	-	-	-	250,000
Year 2022 - 2023	500,000	-	-	-	500,000
Student activities	-	21,278	-	-	21,278
Committed fund balance					
Year-end encumbrances	102,767	-	-	-	102,767
Assigned fund balance					
Designated for subsequent year's expenditures	351,888	-	-	-	351,888
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures					
July 1, 2023 - June 30, 2024	292,800	-	-	-	292,800
Unassigned fund balance	373,369	-	-	-	373,369
Total fund balances	<u>6,930,472</u>	<u>21,278</u>	<u>-</u>	<u>-</u>	<u>6,951,750</u>
Total liabilities and fund balances	<u>\$ 7,145,643</u>	<u>\$ 393,946</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$23,017,502 and the accumulated depreciation is \$13,167,666.	9,849,836
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(139,812)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,765,764)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(28,222)</u>
Total net position of governmental activities	<u>\$ 11,867,788</u>

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 15,572,470	\$ -	\$ -	\$ 414,398	\$ 15,986,868
Tuition					
Individuals	32,701	-	-	-	32,701
Other LEAs	46,822	-	-	-	46,822
Transportation fees	850	-	-	-	850
Interest on investments	131,537	-	-	-	131,537
Miscellaneous	44,875	68,181	-	-	113,056
Total local sources	15,829,255	68,181	-	414,398	16,311,834
State sources	5,590,465	21,264	-	142,202	5,753,931
Federal sources	-	1,377,971	-	-	1,377,971
Total revenues	21,419,720	1,467,416	-	556,600	23,443,736
Expenditures					
Current					
Instructional					
Regular instruction	3,273,277	343,013	-	-	3,616,290
Special education instruction	1,100,050	8,771	-	-	1,108,821
Other special instruction	164,780	81,025	-	-	245,805
Other instruction	63,864	-	-	-	63,864
Support service and undistributed costs					
Tuition	4,928,126	508,654	-	-	5,436,780
Student and instruction related services	1,474,084	169,833	-	-	1,643,917
General and business administrative services	514,487	-	-	-	514,487
School administrative services	303,306	-	-	-	303,306
Plant operations and maintenance	1,397,919	-	-	-	1,397,919
Pupil transportation	1,690,436	-	-	-	1,690,436
Unallocated benefits	4,658,240	128,357	-	-	4,786,597

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 93,326	\$ 236,400	\$ -	\$ -	\$ 329,726
Transfer to charter schools	135,699	-	-	-	135,699
Debt service					
Principal	-	-	-	495,000	495,000
Interest and other charges	2,261	-	-	61,600	63,861
Total expenditures	<u>19,799,855</u>	<u>1,476,053</u>	<u>-</u>	<u>556,600</u>	<u>21,832,508</u>
Excess (deficiency) of revenues over (under) expenditures	1,619,865	(8,637)	-	-	1,611,228
Other financing sources (uses)					
Transfer in (out)	<u>(1,384)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,384)</u>
Total other financing sources (uses)	<u>(1,384)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,384)</u>
Net change in fund balance	1,618,481	(8,637)	-	-	1,609,844
Fund balances, July 1	<u>5,311,991</u>	<u>29,915</u>	<u>-</u>	<u>-</u>	<u>5,341,906</u>
Fund balances, June 30	<u><u>\$ 6,930,472</u></u>	<u><u>\$ 21,278</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,951,750</u></u>

See accompanying notes to the financial statements.

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

Total net changes in fund balances - governmental fund (from B-2) \$ 1,609,844

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 329,726	
Depreciation expense	<u>(578,065)</u>	
		(248,339)

Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Bond principal payments	495,000	
Lease payments	<u>147,088</u>	
		642,088

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		39,251
------------------------------	--	--------

Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

356,986

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

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ 10,041

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 44,504

Change in net position of governmental activities \$ 2,454,375

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 160,473
Receivables from other governments	
State	113
Federal	2,678
Inventory	6,811
Total current assets	<u>170,075</u>
Noncurrent assets	
Capital assets	289,219
Less: accumulated depreciation	286,650
Total noncurrent assets	<u>2,569</u>
Total assets	<u>172,644</u>
Liabilities	
Current liabilities	
Accounts payable	6,896
Unearned revenues - commodities	2,641
Unearned revenues - prepaid sales	2,943
Total liabilities	<u>12,480</u>
Net position	
Invested in capital assets, net of related debt	2,569
Unrestricted	157,595
Total net position	<u><u>\$ 160,164</u></u>

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 83,922
Daily sales - nonreimbursable programs	45,249
Total operating revenues	129,171
Operating expenses	
Cost of sales - reimbursable programs	67,977
Cost of sales - nonreimbursable programs	26,132
Commodity food costs	19,464
Salaries	54,245
Support services - employee benefits	8,000
Purchased professional/technical services	1,682
Purchased property services	6,414
Other purchased services	
Insurance	8,392
Management fee	12,708
Supplies and materials	80
Depreciation	89
Total operating expenses	205,183
Operating income (loss)	(76,012)
Non-operating revenues (expenses)	
State sources	
State school lunch program	2,481
Federal sources	
National school lunch program	
Cash Assistance	57,603
Non-cash assistance (commodities)	19,464
Supply chain assistance	43,543
Total non-operating revenues (expenses)	123,091
Other financing sources:	
Operating transfer in (board contribution)	1,384
Total other financing sources	1,384
Change in net position	48,463
Net position, beginning	111,701
Net position, ending	\$ 160,164

See accompanying notes to the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 127,379
Payments to Food Service Management Company	(182,075)
Payments to vendors (net)	<u>(6,414)</u>
Net cash provided by (used for) operating activities	<u>(61,110)</u>
 Cash flows from non-capital related financing activities	
State sources	2,742
Federal sources	115,067
Board contribution	1,384
Net interfund transactions	<u>3,394</u>
Net cash provided by (used for) non-capital financing activities	<u>122,587</u>
 Cash flow from capital financing activities	
Acquisition of equipment	<u>(2,658)</u>
Net Cash provided by (used for) capital financing activities	<u>(2,658)</u>
 Net increase (decrease) in cash and cash equivalents	58,819
 Cash and cash equivalents, beginning	<u>101,654</u>
 Cash and cash equivalents, ending	<u>\$ 160,473</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (76,012)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	89
Federal food donation program	19,464
Increase (decrease) in accounts payable	(5,840)
(Increase) decrease in inventory	1,639
Increase (decrease) in unearned revenues	<u>(450)</u>
Net cash provided by (used for) operating activities	<u>\$ (61,110)</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Warren, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending/receiving relationship with Hackettstown School District for Grades 9-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2023 of 647 students.

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary fund types (continued)

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

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

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

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

Equipment	12 years
-----------	----------

Fiduciary fund types

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

D. Budgets/budgetary control

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital assets

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

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

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

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

K. Compensated absences

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks. As of June 30, 2023, the District had no investments.

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

As of June 30, 2023, the District’s bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	6,176,459
Total bank balances	<u>\$ 6,426,459</u>

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash		<u>\$ 5,499,670</u>
	<u>Ref.</u>	
Unrestricted cash		
Government funds, Balance Sheet	B-1	\$ 783,154
Enterprise funds, Statement of Net Position	B-4	160,473
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>4,556,043</u>
Total cash		<u>\$ 5,499,670</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 159,653	\$ -	\$ -	\$ 159,653
Construction in progress	14,888	281,053	-	295,941
Total	<u>174,541</u>	<u>281,053</u>	<u>-</u>	<u>455,594</u>
Capital assets, being depreciated or amortized				
Land improvements	992,057	-	-	992,057
Building and improvements	20,968,268	-	-	20,968,268
Furniture and equipment	552,910	48,673	-	601,583
Total	<u>22,513,235</u>	<u>48,673</u>	<u>-</u>	<u>22,561,908</u>
Accumulated depreciation or amortization				
Land improvements	778,092	15,518	-	793,610
Building and improvements	11,397,786	523,817	-	11,921,603
Furniture and equipment	413,723	38,730	-	452,453
Total	<u>12,589,601</u>	<u>578,065</u>	<u>-</u>	<u>13,167,666</u>
Total capital assets, being depreciated or amortized, net	<u>9,923,634</u>	<u>(529,392)</u>	<u>-</u>	<u>9,394,242</u>
Governmental activities capital assets, net	<u>\$ 10,098,175</u>	<u>\$ (248,339)</u>	<u>\$ -</u>	<u>\$ 9,849,836</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture and equipment	\$ 286,561	\$ 2,658	\$ -	\$ 289,219
Less: accumulated depreciation or amortization	286,561	89	-	286,650
Business type activities capital assets, net	<u>\$ -</u>	<u>\$ 2,569</u>	<u>\$ -</u>	<u>\$ 2,569</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction		
Regular	\$	289,506
Special education		80,388
Other special instruction		17,820
Other instruction		4,630
Support services		
Student and instruction		119,181
General and business administration		37,299
School administration		21,989
Plant maintenance		7,252
Total depreciation expense, governmental activities	\$	<u>578,065</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 1,540,000	\$ -	\$ 495,000	\$ 1,045,000	\$ 520,000
Premium on bonds Compensated absences payable	98,129	-	39,251	58,878	39,251
PERS net pension liability	177,899	-	44,504	133,395	-
Leases payable	1,631,155	516,430	-	2,147,585	-
Total governmental activities long-term liabilities	<u>1,527,994</u>	<u>-</u>	<u>147,088</u>	<u>1,380,906</u>	<u>156,484</u>
	<u>\$ 4,975,177</u>	<u>\$ 516,430</u>	<u>\$ 725,843</u>	<u>\$ 4,765,764</u>	<u>\$ 715,735</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments are listed as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 520,000	\$ 41,800	\$ 561,800
2025	525,000	21,000	546,000
Total	<u>\$ 1,045,000</u>	<u>\$ 62,800</u>	<u>\$ 1,107,800</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$3,600,000 - General obligation school refunding bonds, interest at 2.00% to 4.00%, due in annual installments beginning January 15, 2018 to January 15, 2025. \$ 1,045,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$28,590,042. General obligation debt at June 30, 2023 is \$1,045,000, resulting in a legal debt margin of \$27,545,042.

Leases Payable - The District underwent renovations to all buildings and implementing an energy savings project. The energy system improvement plan was financed by a lease with an original issue of \$2,600,000 and an interest rate of 2.363%. The payments are due in semi-annual installments beginning September 20, 2015 to March 20, 2031. The annual requirements for the lease payable as of June 30, 2023, including interest payments are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 156,484	\$ 31,714	\$ 188,198
2025	166,294	27,959	194,253
2026	176,536	23,969	200,505
2027	187,225	19,735	206,960
2028	198,378	15,245	213,623
2029 - 2031	495,988	16,700	512,688
Total	<u>\$ 1,380,906</u>	<u>\$ 135,322</u>	<u>\$ 1,516,228</u>

Note 6 - Pension plans

Description of systems

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2023 was 16.36% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. 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 non-employer 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 report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2022:

Net pension liability	\$	2,147,585
Proportionate share		0.0142305445%
Plan fiduciary net position as a percentage of the total pension liability		62.91%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Collective net pension liability and actuarial information (continued)

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	8.00%	11.19%
Real estate	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%

Discount rate

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 will be based on 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 all 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 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	2,147,585
At a 1% lower rate (6.00%)		2,782,384
At a 1% higher rate (8.00%)		1,641,012

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,500	\$ 13,669
Changes of assumptions	6,654	321,579
Net difference between projected and actual earnings on pension plan investments	88,887	-
Changes in proportion and differences between District contributions and proportionate share of contributions	131,572	226,631
District contributions subsequent to the measurement date	179,454	-
Total	<u>\$ 422,067</u>	<u>\$ 561,879</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2023, the Plan measurement date is June 30, 2022) of \$179,454 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2022 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 25,725	\$ (10,225)	\$ 15,500
Changes of assumptions	8,495	(1,841)	6,654
Differences between expected and actual experience	-	88,887	88,887
Deferred inflows of resources			
Differences between expected and actual experience	(11,677)	(1,992)	(13,669)
Changes in assumptions	(580,702)	259,123	(321,579)
Difference between projected and actual earnings on pension plan investments	(429,689)	429,689	-
Net of deferred outflows	<u>\$ (987,848)</u>	<u>\$ 763,641</u>	<u>\$ (224,207)</u>

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

Fiscal Year Ending June 30,

2023	\$ (184,218)
2024	(93,853)
2025	(45,770)
2026	99,853
2027	(219)
Total	<u>\$ (224,207)</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Pension expense (benefit)

For the fiscal year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$177,531), which represents the District's proportionate share of allocable plan pension expense of (\$155,530), plus the net amortization of deferred amounts from changes in proportion of (\$18,202), plus other adjustments to the net pension liability of (\$3,799). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2022 measurement date are as follows:

Service cost	\$	103,516
Interest on total pension liability		415,176
Benefit changes		1,205
Member contributions		(86,327)
Administrative expense		1,854
Expected investment return net of investment expense		(277,143)
Pension expense related to specific liabilities of individual employers		(1,487)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		4,915
Changes of assumptions		(310,346)
Difference between projected and actual investment earnings on pension plan investments		(6,893)
Pension expense (benefit)	\$	(155,530)

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

Plan description

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2022, the State’s pension contribution was more than the actuarial determined amount.

Special funding situation

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Special funding situation (continued)

During the State fiscal year ending June 30, 2022, the State of New Jersey contributed \$2,011,240 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$	36,616,187
Less: State proportionate share of net pension liability		11,822,279
Net pension liability		24,793,908

Proportionate share		.0480554108%
---------------------	--	--------------

Plan fiduciary net position as a percentage of the total pension liability		32.29%
--	--	--------

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teacher’s pension and annuity fund (TPAF) (continued)
Special funding situation (continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	8.00%	11.19%
Real estate	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%

Discount rate

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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	24,793,908
At a 1% lower rate (6.00%)		29,071,385
At a 1% higher rate (8.00%)		21,190,672

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

Service cost	\$	573,368
Interest on total pension liability		2,469,463
Benefit changes		-
Member contributions		(435,326)
Administrative expense		6,063
Expected investment return net of investment expense		(951,497)
Pension expense related to specific liabilities of individual employers		(190)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		96,289
Changes of assumptions		(1,149,797)
Difference between projected and actual investment earnings on pension plan investments		58,900
Pension expense	\$	<u>667,273</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2023 was \$1,245.

D. Other pension plan information

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$464,394 to the TPAF for postretirement medical benefits, \$24,190 for non-contributory insurance premiums, \$723 for long-term disability insurance, and \$1,743,598 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$345,031 during the fiscal year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as the employers) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

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

Total OPEB liability

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

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 50,646,462,966
District's proportionate share of the State's OPEB liability	28,388,248
Employer OPEB expense and related revenue	644,578
Allocable proportionate percentage	0.0560517879%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

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

	Total OPEB Liability
Total OPEB liability at June 30, 2021	\$ 34,544,687
Service cost	1,466,460
Interest cost	752,320
Change of benefit terms	-
Differences between expected and actual experiences	(38,528)
Changes of assumptions	(7,615,402)
Member contributions	23,906
Gross benefit payments	(745,195)
Total OPEB liability at June 30, 2022	\$ 28,388,248

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54% as of the June 30, 2022 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

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 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 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.

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

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$	28,388,248
At a 1% lower rate (2.54%)		33,367,399
At a 1% higher rate (4.54%)		24,397,707

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

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

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	28,388,248
At a 1% lower rate (1% decrease)		23,464,622
At a 1% higher rate (1% increase)		34,855,730

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$1,895,918 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

Note 8 - Deferred compensation
 The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

AXA Equitable	Lincoln Investment Planning
Siracusa Benefits	

Note 9 - Interfund receivable and payables
 The composition of interfund balances as of June 30, 2023 is as follows:

	Receivable Fund	Payable Fund
General fund	\$ 168,094	\$ -
Special revenue fund	-	168,094
Total	\$ 168,094	\$ 168,094

The special revenue fund had an interfund payable to the general fund for \$168,094 representing a loan due to cash flow issues relating to the delayed receipt of grant revenues.

Note 10 - Inventory
 Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$ 5,248
Supplies	1,563
Total	\$ 6,811

Note 11 - Contingent liabilities
 Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management

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

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

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

Note 13 - Reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the Reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$1,000,000 to their capital reserve account, \$170,000 to their maintenance reserve account, and \$500,000 to their tuition reserve by Board Resolution in June 2023 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 2,450,697	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 3,450,698
Emergency	250,000	-	-	-	-	250,000
Maintenance	834,068	170,000	-	-	170,000	834,068
Tuition	250,000	500,000	-	-	250,000	500,000
Total	<u>\$ 3,784,765</u>	<u>\$ 1,670,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 5,034,766</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance-general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted

Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	\$ 524,883
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	3,450,697
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	834,068
Tuition reserve account - represents funds accumulated for future tuition adjustments pursuant to N.J.A.C. 6A:23A-17.1(f).	750,000

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	102,767
---	---------

Assigned

Designated surplus - designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	351,888
Additional assigned fund balance - unreserved - designated for Subsequent year's expenditures July 1, 2023 - June 30, 2024	292,800

Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	606,402
Total fund balance - budgetary basis (Exhibit C-1)	7,163,505
Last state aid payments recognized on GAAP basis	(233,033)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 6,930,472

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$524,883.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2023 of (\$862,185) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 17 - Recent accounting pronouncements not yet effective

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

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

Note 18 - Subsequent events

The District has evaluated subsequent events through December 6, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 15,572,470	\$ -	\$ 15,572,470	\$ 15,572,470	\$ -
Tuition from individuals	30,000	-	30,000	32,701	2,701
Tuition from other LEA's within the State	-	-	-	46,822	46,822
Transportation fees from other LEAs	-	-	-	850	850
Unrestricted miscellaneous revenues	20,000	-	20,000	176,412	156,412
Total	15,622,470	-	15,622,470	15,829,255	206,785
State sources					
Categorical Transportation Aid	147,093	-	147,093	147,093	-
Extraordinary Aid	-	-	-	251,242	251,242
Categorical Special Education Aid	763,471	-	763,471	763,471	-
Equalization Aid	1,316,796	-	1,316,796	1,316,796	-
Categorical Security Aid	105,232	-	105,232	105,232	-
Other State Aid	-	-	-	12,364	12,364
Stabilization Aid	-	-	-	292,800	292,800
State Reimbursements from Securing Our Children's Future Bond Act	-	-	-	28,977	28,977
TPAF Pension (on-behalf)	-	-	-	1,743,598	1,743,598
TPAF Non-contributory insurance	-	-	-	24,190	24,190
TPAF Social Security (reimbursed)	-	-	-	345,031	345,031
TPAF Postretirement benefits	-	-	-	464,394	464,394
TPAF Long-term disability insurance	-	-	-	723	723
Total	2,332,592	-	2,332,592	5,495,911	3,163,319
Federal Sources					
Medicaid reimbursement	19,768	-	19,768	-	(19,768)
Total	19,768	-	19,768	-	(19,768)
Total revenues	\$ 17,974,830	\$ -	\$ 17,974,830	\$ 21,325,166	\$ 3,350,336
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Kindergarten	\$ 208,315	\$ (12,000)	\$ 196,315	\$ 191,853	\$ 4,462
Grades 1-5	1,485,918	16,190	1,502,108	1,494,271	7,837
Grades 6-8	769,161	218,505	987,666	983,072	4,594
Home instruction					
Salaries of Teachers	2,000	-	2,000	704	1,296
Purchased professional - educational services	3,660	13,310	16,970	15,320	1,650
Regular programs - undistributed instruction					
Purchased professional - educational services	3,500	(3,500)	-	-	-
Purchased technical services	110,064	26,000	136,064	131,675	4,389
Other purchased services	95,021	15,500	110,521	98,504	12,017
General supplies	344,760	4,543	349,303	320,995	28,308
Textbooks	7,700	(2,000)	5,700	-	5,700
Other objects	250	-	250	-	250
Total	3,030,349	276,548	3,306,897	3,236,394	70,503
Special education					
Learning and/or language disabilities					
Salaries of Teachers	103,803	149,000	252,803	218,895	33,908
Other salaries for instruction	54,000	-	54,000	50,582	3,418
General supplies	3,122	-	3,122	1,122	2,000
Total	160,925	149,000	309,925	270,599	39,326

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Emotional regulation impairment					
Salaries of Teachers	\$ 79,625	\$ 2,000	\$ 81,625	\$ 81,566	\$ 59
Other salaries for instruction	18,000	-	18,000	17,916	84
General supplies	2,000	-	2,000	1,121	879
Total	<u>99,625</u>	<u>2,000</u>	<u>101,625</u>	<u>100,603</u>	<u>1,022</u>
Resource room/resource center					
Salaries of Teachers	646,061	(327,300)	318,761	266,922	51,839
Other salaries for instruction	209,000	-	209,000	190,955	18,045
General supplies	1,995	-	1,995	1,606	389
Total	<u>857,056</u>	<u>(327,300)</u>	<u>529,756</u>	<u>459,483</u>	<u>70,273</u>
Autism					
Salaries of Teachers	62,565	-	62,565	62,565	-
Other salaries for instruction	76,000	(49,000)	27,000	3,700	23,300
General supplies	2,960	-	2,960	1,633	1,327
Total	<u>141,525</u>	<u>(49,000)</u>	<u>92,525</u>	<u>67,898</u>	<u>24,627</u>
Preschool disabilities - full-time					
Salaries of Teachers	154,230	-	154,230	154,230	-
Other salaries for instruction	51,000	-	51,000	47,237	3,763
Purchased professional - educational services	5,000	-	5,000	-	5,000
General supplies	2,500	-	2,500	-	2,500
Total	<u>212,730</u>	<u>-</u>	<u>212,730</u>	<u>201,467</u>	<u>11,263</u>
Home instruction					
Salaries of Teachers	10,000	-	10,000	-	10,000
Purchased professional-educational services	5,000	-	5,000	-	5,000
Total	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total special education	<u>1,486,861</u>	<u>(225,300)</u>	<u>1,261,561</u>	<u>1,100,050</u>	<u>161,511</u>
Basic skills/remedial					
Salaries of Teachers	173,920	-	173,920	164,780	9,140
General supplies	1,000	-	1,000	-	1,000
Total	<u>174,920</u>	<u>-</u>	<u>174,920</u>	<u>164,780</u>	<u>10,140</u>
Bilingual education - instruction					
Salaries of Teachers	81,205	(81,205)	-	-	-
Total	<u>81,205</u>	<u>(81,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	37,040	-	37,040	10,938	26,102
Supplies and materials	666	-	666	220	446
Total	<u>37,706</u>	<u>-</u>	<u>37,706</u>	<u>11,158</u>	<u>26,548</u>
School-sponsored athletics - instruction					
Salaries	2,320	-	2,320	-	2,320
Purchased services	-	1,250	1,250	-	1,250
Supplies and materials	550	-	550	198	352
Total	<u>2,870</u>	<u>1,250</u>	<u>4,120</u>	<u>198</u>	<u>3,922</u>
Summer school - instruction					
Salaries of Teachers	42,000	11,285	53,285	47,228	6,057
Other salaries of instruction	12,000	(12,000)	-	-	-
Purchased professional & technical services	10,460	(525)	9,935	-	9,935
General supplies	1,000	-	1,000	-	1,000
Total	<u>65,460</u>	<u>(1,240)</u>	<u>64,220</u>	<u>47,228</u>	<u>16,992</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Summer school - support services					
Salaries	\$ 4,040	\$ 1,240	\$ 5,280	\$ 5,280	\$ -
Total	4,040	1,240	5,280	5,280	-
 Total summer school	 69,500	 -	 69,500	 52,508	 16,992
 Total instruction regular	 \$ 4,883,411	 \$ (28,707)	 \$ 4,854,704	 \$ 4,565,088	 \$ 289,616
 Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEA's within the State - regular	\$ 3,891,585	\$ -	\$ 3,891,585	\$ 3,891,585	\$ -
Tuition to other LEA's within the State - special	683,245	(80,301)	602,944	565,863	37,081
Tuition to county vocational school district - regular	-	9,000	9,000	8,975	25
Tuition to cssd & regional day schools	130,156	(35,000)	95,156	78,252	16,904
Tuition to priv. school for the disabled w/i state	735,886	(9,000)	726,886	383,451	343,435
Total	5,440,872	(115,301)	5,325,571	4,928,126	397,445
 Undistributed expenditures - health services					
Salaries	149,685	15,200	164,885	162,600	2,285
Purchased professional and technical services	12,000	-	12,000	5,675	6,325
Supplies and materials	31,647	(4,000)	27,647	19,448	8,199
Total	193,332	11,200	204,532	187,723	16,809
 Undistributed expenditures - speech, ot, pt & related services					
Salaries	151,655	9,100	160,755	160,755	-
Purchased professional - educational services	305,000	27,322	332,322	298,375	33,947
Supplies and materials	3,614	60	3,674	2,631	1,043
Total	460,269	36,482	496,751	461,761	34,990
 Undistributed expenditures - other supp. Serv. stds. - extra service					
Salaries	90,000	65,200	155,200	155,039	161
Purchased professional - educational services	25,000	145,394	170,394	-	170,394
Supplies and materials	3,000	-	3,000	-	3,000
Total	118,000	210,594	328,594	155,039	173,555
 Undistributed expenditures - guidance					
Salaries of other Professional Staff	140,700	-	140,700	140,700	-
Purchased professional - educational services	1,000	-	1,000	-	1,000
Other purchased professional & technical services	3,000	-	3,000	-	3,000
Supplies and materials	1,500	-	1,500	506	994
Total	146,200	-	146,200	141,206	4,994
 Undistributed expenditures - child study teams					
Salaries of other Professional Staff	211,113	-	211,113	169,062	42,051
Salaries of Secretarial and Clerical Assistants	27,000	-	27,000	27,000	-
Purchased professional - educational services	30,000	(30,000)	-	-	-
Other purchased professional & technical services	6,500	-	6,500	4,663	1,837
Other purchased services	900	-	900	-	900
Supplies and materials	11,500	-	11,500	7,309	4,191
Total	287,013	(30,000)	257,013	208,034	48,979
 Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	99,520	200	99,720	99,720	-
Salaries of Secretarial & Clerical Assist	1,500	-	1,500	600	900
Other salaries	76,500	-	76,500	52,580	23,920
Other purchased services	6,750	(850)	5,900	4,650	1,250
Supplies and materials	2,500	-	2,500	903	1,597
Other objects	-	850	850	845	5
Total	186,770	200	186,970	159,298	27,672

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 122,513	\$ -	\$ 122,513	\$ 116,080	\$ 6,433
Salaries of technology coordinators	36,500	-	36,500	35,950	550
Supplies and materials	17,213	-	17,213	7,181	10,032
Total	176,226	-	176,226	159,211	17,015
Undistributed expenditures - instructional staff training services					
Other purchased services	9,000	-	9,000	1,812	7,188
Total	9,000	-	9,000	1,812	7,188
Undistributed expenditures - support service - general admin.					
Salaries	111,550	6,000	117,550	111,834	5,716
Legal services	32,000	3,000	35,000	16,033	18,967
Audit fees	22,500	6,000	28,500	26,000	2,500
Purchased technical services	1,750	(1,735)	15	-	15
Communications/telephone	76,400	(33,631)	42,769	26,006	16,763
BOE other purchased services	2,500	-	2,500	495	2,005
Misc purch services	15,020	42,366	57,386	54,026	3,360
General supplies	2,000	-	2,000	1,971	29
BOE in-house training/meeting supplies	200	-	200	-	200
Miscellaneous expenditures	6,600	-	6,600	6,214	386
BOE membership dues and fees	12,300	-	12,300	10,956	1,344
Total	282,820	22,000	304,820	253,535	51,285
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	199,450	21,000	220,450	206,053	14,397
Salaries of Secretarial and Clerical Assistants	94,000	4,000	98,000	91,860	6,140
Supplies and materials	12,081	-	12,081	4,298	7,783
Other objects	2,200	-	2,200	1,095	1,105
Total	307,731	25,000	332,731	303,306	29,425
Undistributed expenditures - central services					
Salaries	212,500	3,000	215,500	214,862	638
Purchased professional services	3,250	3,000	6,250	2,100	4,150
Miscellaneous purchased services	29,150	3,000	32,150	24,797	7,353
Supplies and materials	3,350	14,000	17,350	16,498	852
Other objects	5,875	-	5,875	2,695	3,180
Total	254,125	23,000	277,125	260,952	16,173
Undistributed expenditures - admin. info. technology					
Purchased technical services	2,500	-	2,500	-	2,500
Supplies and materials	800	-	800	-	800
Total	3,300	-	3,300	-	3,300
Undistributed expenditures - req. maint. for school facilities					
Salaries	72,744	6,400	79,144	79,141	3
Cleaning, repair, and maintenance services	446,810	96,372	543,182	437,692	105,490
General supplies	77,809	(30,717)	47,092	27,256	19,836
Other objects	1,000	2,575	3,575	1,949	1,626
Total	598,363	74,630	672,993	546,038	126,955

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - custodial services					
Salaries	\$ 243,000	\$ 43,000	\$ 286,000	\$ 277,733	\$ 8,267
Salaries of non-instructional aides	17,000	(17,000)	-	-	-
Purchased professional and technical services	21,000	-	21,000	3,735	17,265
Cleaning, repair, and maintenance service	39,000	(7,000)	32,000	25,304	6,696
Lease purchase pymts - energy savings impr prog	182,333	-	182,333	182,332	1
Insurance	72,800	-	72,800	68,013	4,787
Miscellaneous purchased services	5,000	-	5,000	235	4,765
General supplies	42,350	(11,500)	30,850	28,014	2,836
Energy (natural gas)	65,000	-	65,000	48,811	16,189
Energy (electricity)	180,000	-	180,000	112,617	67,383
Energy (oil)	30,000	-	30,000	29,541	459
Other objects	3,000	-	3,000	1,261	1,739
Total	900,483	7,500	907,983	777,596	130,387
Undistributed expenditures - care and upkeep of grounds					
Salaries	5,500	-	5,500	-	5,500
Purchased professional and technical services	8,300	-	8,300	-	8,300
Cleaning, repair, and maintenance service	12,500	-	12,500	3,650	8,850
General supplies	14,960	-	14,960	1,732	13,228
Total	41,260	-	41,260	5,382	35,878
Undistributed expenditures - security					
Salaries	25,800	-	25,800	21,967	3,833
Purchased professional and technical services	31,300	-	31,300	23,438	7,862
Cleaning, repair, and maintenance service	21,000	-	21,000	18,969	2,031
General supplies	6,641	-	6,641	4,529	2,112
Total	84,741	-	84,741	68,903	15,838
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	6,000	23,400	29,400	22,891	6,509
Salaries for pupil trans (between home & school) - reg.	30,000	(7,000)	23,000	22,300	700
Management fee - ESC & CTSA trans. program	57,000	(57,000)	-	-	-
Other purchased professional and technical service	36,400	(36,400)	-	-	-
Contract service-aid in lieu pymts - non-public schools	47,000	(8,260)	38,740	38,693	47
Contract service-aid in lieu pymts-charter school students	8,427	-	8,427	7,665	762
Contract service (between home & school) - vendors	32,500	(32,500)	-	-	-
Contr service (oth. than between home & school) - vend.	7,350	2,700	10,050	9,976	74
Contract service (sp ed stds) - vendors	-	43,535	43,535	23,476	20,059
Contract service (reg. students) - ESCs & CTSAAs	770,000	101,000	871,000	839,190	31,810
Contract service (spl. ed. students) - ESCs & CTSAAs	715,000	30,865	745,865	725,255	20,610
General supplies	2,500	(1,510)	990	990	-
Total	1,712,177	58,830	1,771,007	1,690,436	80,571
Allocated benefits - employee benefits					
Regular programs - instruction					
Unused sick payment to terminated/retired staff	26,000	15,000	41,000	36,883	4,117
Total	26,000	15,000	41,000	36,883	4,117
Support services - central services					
Tuition reimbursement	8,000	-	8,000	-	8,000
Total	8,000	-	8,000	-	8,000
Total allocated benefits - employees	\$ 34,000	\$ 15,000	\$ 49,000	\$ 36,883	\$ 12,117

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Unallocated benefits - employee benefits					
Social Security contributions	\$ 145,000	\$ -	\$ 145,000	\$ 140,511	\$ 4,489
Other retirement contributions - PERS	206,000	(25,750)	180,250	179,454	796
Other retirement contributions - regular	2,000	600	2,600	2,455	145
Unemployment compensation	35,000	-	35,000	15,409	19,591
Workmen's compensation	85,500	-	85,500	39,978	45,522
Health benefits	2,320,376	(232,300)	2,088,076	1,683,503	404,573
Tuition reimbursement	52,338	-	52,338	6,654	45,684
Other employee benefits	31,864	(1,383)	30,481	12,340	18,141
Total	<u>2,878,078</u>	<u>(258,833)</u>	<u>2,619,245</u>	<u>2,080,304</u>	<u>538,941</u>
On-behalf TPAF Pension contribution	-	-	-	1,743,598	(1,743,598)
On-behalf TPAF Non-contributory insurance	-	-	-	24,190	(24,190)
On-behalf TPAF Postretirement medical benefits	-	-	-	464,394	(464,394)
On-behalf TPAF Long-term disability insurance	-	-	-	723	(723)
Reimbursed TPAF Social Security contribution	-	-	-	345,031	(345,031)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,577,936</u>	<u>(2,577,936)</u>
Total undistributed expenditures	<u>\$ 14,114,760</u>	<u>\$ 80,302</u>	<u>\$ 14,195,062</u>	<u>\$ 15,003,481</u>	<u>\$ (808,419)</u>
Total current	<u>\$ 18,998,171</u>	<u>\$ 51,595</u>	<u>\$ 19,049,766</u>	<u>\$ 19,568,569</u>	<u>\$ (518,803)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expend. - central services	\$ -	\$ 17,956	\$ 17,956	\$ 17,956	\$ -
Undistributed expend. - req. maint. for school facilities	-	30,717	30,717	30,717	-
Total equipment	<u>-</u>	<u>48,673</u>	<u>48,673</u>	<u>48,673</u>	<u>-</u>
Facilities acquisition and construction service					
Legal services	-	44,653	44,653	44,653	-
Assessment for debt service on SDA funding	2,261	-	2,261	2,261	-
Total facilities acquisition and construction service	<u>2,261</u>	<u>44,653</u>	<u>46,914</u>	<u>46,914</u>	<u>-</u>
Total capital outlay	<u>\$ 2,261</u>	<u>\$ 93,326</u>	<u>\$ 95,587</u>	<u>\$ 95,587</u>	<u>\$ -</u>
Transfer of funds to charter schools	<u>\$ 110,460</u>	<u>\$ 29,301</u>	<u>\$ 139,761</u>	<u>\$ 135,699</u>	<u>\$ 4,062</u>
Total expenditures	<u>\$ 19,110,892</u>	<u>\$ 174,222</u>	<u>\$ 19,285,114</u>	<u>\$ 19,799,855</u>	<u>\$ (514,741)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,136,062)</u>	<u>\$ (174,222)</u>	<u>\$ (1,310,284)</u>	<u>\$ 1,525,311</u>	<u>\$ 2,835,595</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	-	(1,384)	(1,384)	(1,384)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,384)</u>	<u>(1,384)</u>	<u>(1,384)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	<u>(1,136,062)</u>	<u>(175,606)</u>	<u>(1,311,668)</u>	<u>1,523,927</u>	<u>2,835,595</u>
Fund balances, July 1	<u>5,639,578</u>	<u>-</u>	<u>5,639,578</u>	<u>5,639,578</u>	<u>-</u>
Fund balances, June 30	<u>\$ 4,503,516</u>	<u>\$ (175,606)</u>	<u>\$ 4,327,910</u>	<u>\$ 7,163,505</u>	<u>\$ 2,835,595</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (523,699)	\$ -	\$ (523,699)	\$ (523,699)	\$ -
Increase in capital reserve	-	1,000,000	1,000,000	1,000,000	-
Increase in maintenance reserve	-	170,000	170,000	170,000	-
Withdrawal from maintenance reserve	(170,000)	-	(170,000)	(170,000)	-
Increase in tuition reserve	-	500,000	500,000	500,000	-
Withdrawal from tuition reserve	(250,000)	-	(250,000)	(250,000)	-
Budgeted fund balance	(192,363)	(1,845,606)	(2,037,969)	797,626	2,835,595
Total	\$ (1,136,062)	\$ (175,606)	\$ (1,311,668)	\$ 1,523,927	\$ 2,835,595
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				\$ 524,883	
Capital reserve				3,450,697	
Emergency reserve				250,000	
Maintenance reserve				834,068	
Tuition reserve					
Year 2021 - 2022				250,000	
Year 2022 - 2023				500,000	
Committed fund balance					
Year-end encumbrances				102,767	
Assigned fund balance					
Designated for subsequent year's expenditures				351,888	
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures					
July 1, 2023 - June 30, 2024				292,800	
Unassigned fund balance				<u>606,402</u>	
Fund balance per budgetary basis				7,163,505	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(233,033)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 6,930,472</u>	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ -	\$ 9,151	\$ 9,151	\$ 68,181	\$ 59,030
State source	21,264	-	21,264	21,264	-
Federal sources	1,524,399	71,107	1,595,506	1,305,818	(289,688)
Total revenues	<u>\$ 1,545,663</u>	<u>\$ 80,258</u>	<u>\$ 1,625,921</u>	<u>\$ 1,395,263</u>	<u>\$ (230,658)</u>
Expenditures					
Instruction					
Salaries	\$ 359,683	\$ (18,075)	\$ 341,608	\$ 286,644	\$ 54,964
Purchased professional and technical services	4,083	(4,083)	-	-	-
Other purchased services	-	14,253	14,253	3,720	10,533
General supplies	163,859	(1,321)	162,538	110,898	51,640
Other objects	3,356	700	4,056	700	3,356
Total	<u>530,981</u>	<u>(8,526)</u>	<u>522,455</u>	<u>401,962</u>	<u>120,493</u>
Support services					
Tuition	508,654	-	508,654	508,654	-
Salaries	25,128	8,844	33,972	21,400	12,572
Employee benefits	125,498	6,201	131,699	128,357	3,342
Purchased professional and technical services	-	27,736	27,736	-	27,736
Other purchased services	113,855	(29,485)	84,370	29,817	54,553
Supplies and materials	25,132	(2,930)	22,202	18,877	3,325
Student activities	-	69,254	69,254	69,254	-
Total	<u>798,267</u>	<u>79,620</u>	<u>877,887</u>	<u>776,359</u>	<u>101,528</u>
Capital outlay					
Building	216,415	9,164	225,579	225,579	-
Total	<u>216,415</u>	<u>9,164</u>	<u>225,579</u>	<u>225,579</u>	<u>-</u>
Total expenditures	<u>\$ 1,545,663</u>	<u>\$ 80,258</u>	<u>\$ 1,625,921</u>	<u>\$ 1,403,900</u>	<u>\$ 222,021</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ (8,637)	\$ (8,637)
Fund balances, July 1	<u>29,915</u>	<u>-</u>	<u>29,915</u>	<u>29,915</u>	<u>-</u>
Fund balances, June 30	<u>\$ 29,915</u>	<u>\$ -</u>	<u>\$ 29,915</u>	<u>\$ 21,278</u>	<u>\$ 8,637</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 21,278	
Fund balance per budgetary basis				<u>\$ 21,278</u>	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 21,325,166	\$ 1,395,263
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	122,926
Outstanding encumbrances - prior year cancelled	-	(50,773)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	327,587	-
State aid receivable - current year	(233,033)	-
Total revenues (GAAP basis)	<u>\$ 21,419,720</u>	<u>\$ 1,467,416</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$19,799,855	\$ 1,403,900
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	122,926
Outstanding encumbrances - prior year cancelled	-	(50,773)
Total expenditures (GAAP basis)	<u>\$ 19,799,855</u>	<u>\$ 1,476,053</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	Percentage	Value		as a percentage of its covered employee payroll	as a percentage of the total pension liability
2014	0.0168460007%	\$ 3,154,032	\$ 1,062,273	296.91%	52.08%
2015	0.0158783260%	3,564,366	1,009,899	352.94%	47.93%
2016	0.0145045105%	4,295,820	954,391	450.11%	40.14%
2017	0.0140210442%	3,263,875	985,451	331.21%	48.10%
2018	0.0148077227%	2,915,567	1,046,342	278.64%	53.60%
2019	0.0153185121%	2,760,163	1,095,150	252.04%	56.27%
2020	0.0154721941%	2,523,110	1,080,612	233.49%	58.32%
2021	0.0137690860%	1,631,155	978,669	166.67%	70.33%
2022	0.0142305445%	2,147,585	941,005	228.22%	62.91%
2023	N/A	N/A	1,097,235	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2014	\$ 115,036	\$ (115,036)	\$ -	\$ 1,062,273	10.83%
2015	138,876	(138,876)	-	1,009,899	13.75%
2016	136,511	(136,511)	-	954,391	14.30%
2017	130,174	(130,174)	-	985,451	13.21%
2018	129,890	(129,890)	-	1,046,342	12.41%
2019	147,289	(147,289)	-	1,095,150	13.45%
2020	149,004	(149,004)	-	1,080,612	13.79%
2021	169,258	(169,258)	-	978,669	17.29%
2022	161,252	(161,252)	-	941,005	17.14%
2023	179,454	(179,454)	-	1,097,235	16.36%

N/A = Information not available

See independent auditors' report.

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

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	0.00%	\$ -	\$ 30,782,398	\$ 30,782,398	\$ 5,743,558	0.00%	33.64%
2015	0.00%	-	37,018,875	37,018,875	5,419,890	0.00%	28.71%
2016	0.00%	-	44,158,384	44,158,384	5,527,363	0.00%	22.33%
2017	0.00%	-	35,897,530	35,897,530	5,715,574	0.00%	25.41%
2018	0.00%	-	34,573,944	34,573,944	5,730,946	0.00%	26.49%
2019	0.00%	-	34,070,868	34,070,868	5,634,331	0.00%	26.95%
2020	0.00%	-	35,907,159	35,907,159	5,406,693	0.00%	24.60%
2021	0.00%	-	24,616,006	24,616,006	5,113,504	0.00%	35.52%
2022	0.00%	-	24,793,908	24,793,908	5,155,131	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	4,790,641	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 243,649	\$ (243,649)	\$ -	\$ 5,743,558	4.24%
2015	316,652	(316,652)	-	5,419,890	5.84%
2016	449,428	(449,428)	-	5,527,363	8.13%
2017	598,866	(598,866)	-	5,715,574	10.48%
2018	819,751	(819,751)	-	5,730,946	14.30%
2019	1,114,727	(1,114,727)	-	5,634,331	19.78%
2020	1,116,234	(1,116,234)	-	5,406,693	20.65%
2021	1,235,659	(1,235,659)	-	5,113,504	24.16%
2022	1,500,515	(1,500,515)	-	5,155,131	29.11%
2023	2,011,240	(2,011,240)	-	4,790,641	41.98%

N/A = Information not available

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 31,237,261	31,237,261	\$ 6,701,025	0.00%	0.00%
2018	0.00%	-	27,209,475	27,209,475	6,777,288	0.00%	0.00%
2019	0.00%	-	24,468,224	24,468,224	6,729,481	0.00%	0.00%
2020	0.00%	-	40,143,202	40,143,202	6,487,305	0.00%	0.00%
2021	0.00%	-	34,544,687	34,544,687	6,092,173	0.00%	0.00%
2022	0.00%	-	28,388,248	28,388,248	6,096,136	0.00%	0.00%
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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 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%.

SPECIAL REVENUE FUND

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IV	Total
Revenues							
Local sources	\$ 68,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,181
State source	21,264	-	-	-	-	-	21,264
Federal sources	924,152	234,975	6,703	123,859	5,689	10,440	1,305,818
Total revenues	\$ 1,013,597	\$ 234,975	\$ 6,703	\$ 123,859	\$ 5,689	\$ 10,440	\$ 1,395,263
Expenditures							
Instruction							
Salaries	\$ 205,619	\$ -	\$ -	\$ 81,025	\$ -	\$ -	\$ 286,644
Other purchased services	3,720	-	-	-	-	-	3,720
General supplies	97,598	-	6,703	-	-	6,597	110,898
Other objects	700	-	-	-	-	-	700
Total	307,637	-	6,703	81,025	-	6,597	401,962
Support services							
Tuition	273,679	234,975	-	-	-	-	508,654
Salaries	21,400	-	-	-	-	-	21,400
Employee benefits	85,523	-	-	42,834	-	-	128,357
Other purchased services	20,285	-	-	-	5,689	3,843	29,817
Supplies and materials	18,877	-	-	-	-	-	18,877
Student activities	69,254	-	-	-	-	-	69,254
Total	489,018	234,975	-	42,834	5,689	3,843	776,359
Capital outlay							
Building	225,579	-	-	-	-	-	225,579
Total	225,579	-	-	-	-	-	225,579
Total expenditures	\$ 1,022,234	\$ 234,975	\$ 6,703	\$ 123,859	\$ 5,689	\$ 10,440	\$ 1,403,900
Excess (deficiency) of revenues over (under) expenditures	\$ (8,637)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,637)
Fund balances, July 1	29,915	-	-	-	-	-	29,915
Fund balances, June 30	\$ 21,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,278

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	CRRSA ESSER II	CRRSA Mental Health	CRRSA Learning Acceleration	ARP ESSER	ARP Summer Learning	Total Carried Forward
Revenues							
Local sources	\$ 68,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,181
State source	21,264	-	-	-	-	-	21,264
Federal sources	348,842	216,415	9,798	795	312,677	35,625	924,152
Total revenues	\$ 438,287	\$ 216,415	\$ 9,798	\$ 795	\$ 312,677	\$ 35,625	\$ 1,013,597
Expenditures							
Instruction							
Salaries	\$ 16,876	\$ -	\$ 497	\$ -	\$ 164,680	\$ 23,566	\$ 205,619
Other purchased services	-	-	3,720	-	-	-	3,720
General supplies	46,307	-	421	795	49,819	256	97,598
Other objects	700	-	-	-	-	-	700
Total	63,883	-	4,638	795	214,499	23,822	307,637
Support services							
Tuition	273,679	-	-	-	-	-	273,679
Salaries	9,400	-	-	-	12,000	-	21,400
Employee benefits	1,312	-	38	-	82,370	1,803	85,523
Other purchased services	7,385	-	2,900	-	-	10,000	20,285
Supplies and materials	12,847	-	2,222	-	3,808	-	18,877
Student activities	69,254	-	-	-	-	-	69,254
Total	373,877	-	5,160	-	98,178	11,803	489,018
Capital outlay							
Building	9,164	216,415	-	-	-	-	225,579
Total	9,164	216,415	-	-	-	-	225,579
Total expenditures	\$ 446,924	\$ 216,415	\$ 9,798	\$ 795	\$ 312,677	\$ 35,625	\$ 1,022,234
Excess (deficiency) of revenues over (under) expenditures	\$ (8,637)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,637)
Fund balances, July 1	29,915	-	-	-	-	-	29,915
Fund balances, June 30	\$ 21,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,278

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	ARP Beyond the School Day	ARP NJTSS Mental Health	ARP IDEA Basic	ARP IDEA Preschool	REAP	Total Carried Forward
Revenues							
Local sources	\$ 68,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,181
State source	21,264	-	-	-	-	-	21,264
Federal sources	259,679	18,188	7,385	24,707	540	38,343	348,842
Total revenues	\$ 349,124	\$ 18,188	\$ 7,385	\$ 24,707	\$ 540	\$ 38,343	\$ 438,287
Expenditures							
Instruction							
Salaries	\$ -	\$ 16,876	\$ -	\$ -	\$ -	\$ -	\$ 16,876
Other purchased services	-	-	-	-	-	-	-
General supplies	7,424	-	-	-	540	38,343	46,307
Other objects	700	-	-	-	-	-	700
Total	8,124	16,876	-	-	540	38,343	63,883
Support services							
Tuition	259,679	-	-	14,000	-	-	273,679
Salaries	-	-	-	9,400	-	-	9,400
Employee benefits	-	1,312	-	-	-	-	1,312
Other purchased services	-	-	7,385	-	-	-	7,385
Supplies and materials	11,540	-	-	1,307	-	-	12,847
Student activities	69,254	-	-	-	-	-	69,254
Total	340,473	1,312	7,385	24,707	-	-	373,877
Capital outlay							
Building	9,164	-	-	-	-	-	9,164
Total	9,164	-	-	-	-	-	9,164
Total expenditures	\$ 357,761	\$ 18,188	\$ 7,385	\$ 24,707	\$ 540	\$ 38,343	\$ 446,924
Excess (deficiency) of revenues over (under) expenditures	\$ (8,637)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,637)
Fund balances, July 1	29,915	-	-	-	-	-	29,915
Fund balances, June 30	\$ 21,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,278

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	<u>ACSERS</u>	<u>School Climate Change</u>	<u>SDA Emergent and Capital Maintenance Needs</u>	<u>Local Grants</u>	<u>Student Activities</u>	<u>Total Carried Forward</u>
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ 7,564	\$ 60,617	\$ 68,181
State source	-	6,660	14,604	-	-	21,264
Federal sources	259,679	-	-	-	-	259,679
Total revenues	<u>\$ 259,679</u>	<u>\$ 6,660</u>	<u>\$ 14,604</u>	<u>\$ 7,564</u>	<u>\$ 60,617</u>	<u>\$ 349,124</u>
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purchased services	-	-	-	-	-	-
General supplies	-	6,660	-	764	-	7,424
Other objects	-	-	-	700	-	700
Total	<u>-</u>	<u>6,660</u>	<u>-</u>	<u>1,464</u>	<u>-</u>	<u>7,424</u>
Support services						
Tuition	259,679	-	-	-	-	259,679
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
Supplies and materials	-	-	5,440	6,100	-	11,540
Student activities	-	-	-	-	69,254	69,254
Total	<u>259,679</u>	<u>-</u>	<u>5,440</u>	<u>6,100</u>	<u>69,254</u>	<u>340,473</u>
Capital outlay						
Building	-	-	9,164	-	-	9,164
Total	<u>-</u>	<u>-</u>	<u>9,164</u>	<u>-</u>	<u>-</u>	<u>9,164</u>
Total expenditures	<u>\$ 259,679</u>	<u>\$ 6,660</u>	<u>\$ 14,604</u>	<u>\$ 7,564</u>	<u>\$ 69,254</u>	<u>\$ 357,061</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (8,637)	\$ (8,637)
Fund balances, July 1	-	-	-	-	29,915	29,915
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,278</u>	<u>\$ 21,278</u>

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2023

Description	Interest Rate	Amount of Original of Issue	Balance 07/01/22	Issued	Retired	Balance 06/30/23
Energy system improvement plan	2.363%	\$ 2,600,000	\$ 1,527,994	\$ -	\$ 147,088	\$ 1,380,906
			<u>\$ 1,527,994</u>	<u>\$ -</u>	<u>\$ 147,088</u>	<u>\$ 1,380,906</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 414,398	\$ -	\$ 414,398	\$ 414,398	\$ -
State sources					
Debt service aid	142,202	-	142,202	142,202	-
Total revenues	<u>556,600</u>	<u>-</u>	<u>556,600</u>	<u>556,600</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	61,600	-	61,600	61,600	-
Redemption of principal	495,000	-	495,000	495,000	-
Total expenditures	<u>556,600</u>	<u>-</u>	<u>556,600</u>	<u>556,600</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statistical Section J Series

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 2,751,359	\$ 2,906,201	\$ 3,547,474	\$ 4,084,810	\$ 4,853,873	\$ 5,808,547	\$ 6,326,853	\$ 7,058,854	\$ 7,030,181	\$ 7,423,930
Restricted	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912	4,064,681	5,306,043
Unrestricted	(3,362,881)	(3,440,685)	(3,538,141)	(3,489,388)	(3,554,787)	(3,425,188)	(3,321,869)	(2,705,721)	(1,681,449)	(862,185)
Total governmental activities	\$ 284,430	\$ 364,673	\$ 425,090	\$ 1,458,134	\$ 2,360,836	\$ 3,556,489	\$ 5,081,451	\$ 7,446,045	\$ 9,413,413	\$ 11,867,788
Business-type activities										
Net investment in capital assets	\$ 14,636	\$ 6,668	\$ 4,796	\$ 2,925	\$ 1,174	\$ 179	\$ -	\$ -	\$ -	\$ 2,569
Unrestricted	59,287	48,414	41,153	26,288	12,408	21,297	25,383	39,555	111,701	157,595
Total business-type activities	\$ 73,923	\$ 55,082	\$ 45,949	\$ 29,213	\$ 13,582	\$ 21,476	\$ 25,383	\$ 39,555	\$ 111,701	\$ 160,164
District-wide										
Net investment in capital assets	\$ 2,765,995	\$ 2,912,869	\$ 3,552,270	\$ 4,087,735	\$ 4,855,047	\$ 5,808,726	\$ 6,326,853	\$ 7,058,854	\$ 7,030,181	\$ 7,426,499
Restricted	895,952	899,157	415,757	862,712	1,061,750	1,173,130	2,076,467	3,092,912	4,064,681	5,306,043
Unrestricted	(3,303,594)	(3,392,271)	(3,496,988)	(3,463,100)	(3,542,379)	(3,403,891)	(3,296,486)	(2,666,166)	(1,569,748)	(704,590)
Total district-wide	\$ 358,353	\$ 419,755	\$ 471,039	\$ 1,487,347	\$ 2,374,418	\$ 3,577,965	\$ 5,106,834	\$ 7,485,600	\$ 9,525,114	\$ 12,027,952

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,601,760	\$ 7,613,489	\$ 7,910,503	\$ 8,368,806	\$ 7,961,570	\$ 7,709,719	\$ 7,283,064	\$ 5,970,776	\$ 6,893,984	\$ 6,941,807
Special education	976,196	1,451,427	1,769,666	2,952,136	3,809,930	3,610,405	3,359,475	3,605,520	3,351,482	2,144,205
Other special instruction	232,347	455,968	778,035	653,234	916,837	744,688	678,737	569,134	589,031	565,119
Other instruction	35,576	30,420	37,620	46,947	93,641	96,976	58,954	55,425	92,942	68,354
Support services										
Tuition	6,500,875	7,137,647	6,880,632	6,186,512	6,259,441	6,034,009	5,762,878	5,689,668	5,595,282	5,436,780
Student and instruction related services	1,753,640	1,813,729	2,047,647	2,163,420	2,513,196	2,448,466	2,465,064	3,053,931	2,801,770	2,729,190
General and business administrative services	688,811	726,105	765,762	713,839	895,058	693,777	670,724	1,697,040	734,601	665,249
School administration	746,416	890,623	978,926	1,119,479	1,228,043	979,070	898,315	645,414	610,910	543,288
Plant operations and maintenance	1,449,282	1,381,404	1,285,345	1,383,480	1,599,573	1,453,307	1,308,010	2,396,109	1,081,928	1,334,406
Pupil transportation	942,179	1,060,410	1,203,671	1,181,826	1,305,574	1,348,293	1,411,263	1,090,336	1,531,998	1,690,436
Transfer to charter schools	-	-	-	-	76,004	127,203	151,041	151,690	128,035	135,699
Interest on long-term debt	259,452	280,325	263,557	252,774	232,784	143,014	129,591	87,222	73,205	49,814
Total governmental activities expenses	<u>20,186,534</u>	<u>22,841,547</u>	<u>23,921,364</u>	<u>25,022,453</u>	<u>26,891,651</u>	<u>25,388,927</u>	<u>24,177,116</u>	<u>25,012,265</u>	<u>23,485,168</u>	<u>22,304,347</u>
Business-type activities										
Food services	224,059	218,877	203,262	209,843	206,372	177,659	140,687	95,300	210,263	205,183
Total business-type activities	<u>224,059</u>	<u>218,877</u>	<u>203,262</u>	<u>209,843</u>	<u>206,372</u>	<u>177,659</u>	<u>140,687</u>	<u>95,300</u>	<u>210,263</u>	<u>205,183</u>
Total district expenses	<u>\$ 20,410,593</u>	<u>\$ 23,060,424</u>	<u>\$ 24,124,626</u>	<u>\$ 25,232,296</u>	<u>\$ 27,098,023</u>	<u>\$ 25,566,586</u>	<u>\$ 24,317,803</u>	<u>\$ 25,107,565</u>	<u>\$ 23,695,431</u>	<u>\$ 22,509,530</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 49,706	\$ 68,901	\$ 53,780	\$ 416,067	\$ 370,766	\$ 288,101	\$ 211,237	\$ 125,337	\$ 121,834	\$ 140,990
Operating grants and contributions	331,908	304,284	330,790	314,302	319,491	305,743	306,692	386,847	533,279	1,406,799
Capital grants and contributions	-	-	-	-	368,176	-	-	-	-	-
Total governmental activities	<u>381,614</u>	<u>373,185</u>	<u>384,570</u>	<u>730,369</u>	<u>1,058,433</u>	<u>593,844</u>	<u>517,929</u>	<u>512,184</u>	<u>655,113</u>	<u>1,547,789</u>
Business-type activities										
Charges for services										
Food service	148,361	142,244	133,924	131,763	123,635	128,306	83,551	2,391	26,513	129,171
Operating grants and contributions	66,207	57,792	60,044	61,071	66,120	57,020	51,800	107,073	255,896	123,091
Total business-type activities	<u>214,568</u>	<u>200,036</u>	<u>193,968</u>	<u>192,834</u>	<u>189,755</u>	<u>185,326</u>	<u>135,351</u>	<u>109,464</u>	<u>282,409</u>	<u>252,262</u>
Total district-wide program revenues	<u>\$ 596,182</u>	<u>\$ 573,221</u>	<u>\$ 578,538</u>	<u>\$ 923,203</u>	<u>\$ 1,248,188</u>	<u>\$ 779,170</u>	<u>\$ 653,280</u>	<u>\$ 621,648</u>	<u>\$ 937,522</u>	<u>\$ 1,800,051</u>
Net (expense) revenues										
Governmental activities	\$ (19,804,920)	\$ (22,468,362)	\$ (23,536,794)	\$ (24,292,084)	\$ (25,833,218)	\$ (24,795,083)	\$ (23,659,187)	\$ (24,500,081)	\$ (22,830,055)	\$ (20,756,558)
Business-type activities	(9,491)	(18,841)	(9,294)	(17,009)	(16,617)	7,667	(5,336)	14,164	72,146	47,079
Total district-wide net expenses	<u>\$ (19,814,411)</u>	<u>\$ (22,487,203)</u>	<u>\$ (23,546,088)</u>	<u>\$ (24,309,093)</u>	<u>\$ (25,849,835)</u>	<u>\$ (24,787,416)</u>	<u>\$ (23,664,523)</u>	<u>\$ (24,485,917)</u>	<u>\$ (22,757,909)</u>	<u>\$ (20,709,479)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 12,609,251	\$ 12,919,163	\$ 13,258,492	\$ 13,698,655	\$ 13,910,278	\$ 14,188,484	\$ 14,472,254	\$ 14,895,043	\$ 15,267,127	\$ 15,572,470
Taxes levied for debt service	543,598	536,107	520,240	518,156	517,876	488,155	438,452	451,921	436,882	414,398
Unrestricted grants and contributions	7,208,671	9,051,461	9,809,299	11,040,473	12,239,143	11,263,157	10,196,628	11,484,998	9,484,708	7,049,037
Investment earnings	744	935	1,405	9,676	24,275	41,880	33,405	12,341	15,985	131,537
Miscellaneous income	12,313	40,939	7,775	58,168	44,348	9,060	15,493	20,372	27,225	44,875
Special item:										
Transfer in (out)	-	-	-	-	-	-	(7,800)	-	-	(1,384)
Total governmental activities	<u>20,374,577</u>	<u>22,548,605</u>	<u>23,597,211</u>	<u>25,325,128</u>	<u>26,735,920</u>	<u>25,990,736</u>	<u>25,148,432</u>	<u>26,864,675</u>	<u>25,231,927</u>	<u>23,210,933</u>
Business-type activities										
Miscellaneous	21	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	161	273	986	227	1,443	8	-	-
Transfer in (out)	-	-	-	-	-	-	7,800	-	-	1,384
Total business-type activities	<u>21</u>	<u>-</u>	<u>161</u>	<u>273</u>	<u>986</u>	<u>227</u>	<u>9,243</u>	<u>8</u>	<u>-</u>	<u>1,384</u>
Total district-wide	<u>\$ 20,374,598</u>	<u>\$ 22,548,605</u>	<u>\$ 23,597,372</u>	<u>\$ 25,325,401</u>	<u>\$ 26,736,906</u>	<u>\$ 25,990,963</u>	<u>\$ 25,157,675</u>	<u>\$ 26,864,683</u>	<u>\$ 25,231,927</u>	<u>\$ 23,212,317</u>
Change in net position										
Governmental activities	\$ 569,657	\$ 80,243	\$ 60,417	\$ 1,033,044	\$ 902,702	\$ 1,195,653	\$ 1,489,245	\$ 2,364,594	\$ 2,401,872	\$ 2,454,375
Business-type activities	(9,470)	(18,841)	(9,133)	(16,736)	(15,631)	7,894	3,907	14,172	72,146	48,463
Total district	<u>\$ 560,187</u>	<u>\$ 61,402</u>	<u>\$ 51,284</u>	<u>\$ 1,016,308</u>	<u>\$ 887,071</u>	<u>\$ 1,203,547</u>	<u>\$ 1,493,152</u>	<u>\$ 2,378,766</u>	<u>\$ 2,474,018</u>	<u>\$ 2,502,838</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 894,835	\$ 475,865	\$ 337,046	\$ 835,157	\$ 1,081,394	\$ 1,146,402	\$ 2,155,843	\$ 3,143,184	\$ 4,034,766	\$ 5,809,648
Committed	9,529	11,125	8,185	129,429	339,170	328,848	243,899	39,515	523,699	102,767
Assigned	10,024	-	-	32,369	-	-	-	90,023	192,363	644,688
Unassigned	(190,015)	(295,902)	(243,610)	(143,246)	(114,964)	(44,552)	(19,690)	509,279	561,163	373,369
Total general fund	<u>\$ 724,373</u>	<u>\$ 191,088</u>	<u>\$ 101,621</u>	<u>\$ 853,709</u>	<u>\$ 1,305,600</u>	<u>\$ 1,430,698</u>	<u>\$ 2,380,052</u>	<u>\$ 3,782,001</u>	<u>\$ 5,311,991</u>	<u>\$ 6,930,472</u>
								*		
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,717	\$ 29,104	\$ 29,915	\$ 21,278
Capital projects fund	559,129	2,763,970	78,711	73,927	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	1,107	-	-	-	26,728	26,728	-	-	-	-
Total all other governmental funds	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>	<u>\$ 78,711</u>	<u>\$ 73,927</u>	<u>\$ 26,728</u>	<u>\$ 26,728</u>	<u>\$ 35,717</u>	<u>\$ 29,104</u>	<u>\$ 29,915</u>	<u>\$ 21,278</u>

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 13,152,849	\$ 13,455,270	\$ 13,778,732	\$ 14,216,811	\$ 14,428,154	\$ 14,676,639	\$ 14,910,706	\$ 15,346,964	\$ 15,704,009	\$ 15,986,868
Tuition charges	-	-	1,795	146,840	210,636	288,101	210,652	106,288	80,800	79,523
Transportation charges	-	-	-	-	-	-	585	180	2,834	850
Miscellaneous	63,424	105,754	63,119	103,773	72,943	54,424	57,314	59,021	82,040	244,593
State sources	7,208,671	7,394,979	7,548,963	7,722,565	7,950,945	8,076,392	7,595,909	7,204,807	7,024,263	5,753,931
State sources - capital projects	-	-	-	-	368,176	-	-	-	-	-
Federal sources	325,266	294,790	327,732	307,490	310,613	302,259	298,276	379,408	517,951	1,377,971
Total revenues	20,750,210	21,250,793	21,720,341	22,497,479	23,341,467	23,397,815	23,073,442	23,096,668	23,411,897	23,443,736
Expenditures										
Instruction										
Regular instruction	4,502,409	4,277,595	4,144,829	4,049,697	3,695,614	3,622,804	3,505,734	3,245,539	3,142,203	3,236,394
Special education instruction	616,111	778,883	917,848	1,391,491	1,676,912	1,620,151	1,561,720	1,435,839	1,496,946	1,100,050
Other special instruction	131,565	228,042	353,422	259,194	336,533	301,300	256,982	232,779	242,112	164,780
Other instruction	24,053	19,603	22,808	27,103	50,373	59,001	48,649	42,732	86,652	63,864
Support services										
Tuition	6,245,487	6,908,970	6,638,390	5,811,449	5,995,361	5,831,755	5,580,738	5,524,464	5,417,495	4,928,126
Student & instruction related services	1,198,637	1,208,427	1,259,426	1,276,851	1,511,578	1,529,507	1,409,583	1,283,685	1,411,320	1,474,084
General administration	336,117	333,901	339,001	240,744	283,610	275,729	289,240	314,090	263,226	253,535
School administration services	493,329	501,305	510,020	533,241	549,897	500,707	458,568	305,534	297,852	303,306
Central services	205,729	206,559	223,126	246,536	282,836	250,338	210,383	254,189	250,994	260,952
Administrative information technology	9,833	7,861	9,698	8,540	13,639	14,626	19,940	22,293	23,853	-
Plant operations and maintenance	1,209,408	1,133,241	1,160,555	1,288,100	1,377,948	1,381,808	1,289,128	1,183,235	1,163,743	1,397,919
Pupil transportation	941,844	1,058,610	1,203,671	1,132,901	1,276,855	1,348,293	1,411,263	1,090,336	1,531,998	1,690,436
Employee benefits	2,275,114	2,348,499	2,436,076	2,568,137	2,610,552	2,592,872	2,586,759	2,560,425	2,141,459	2,117,187
On-behalf TPAF Pension and Social Security contribution	1,068,741	1,217,888	1,379,896	1,507,813	1,760,106	2,028,328	2,058,729	2,361,853	2,854,509	2,577,936
Transfer to charter schools	56,950	63,736	22,811	22,811	76,004	127,203	151,041	151,690	128,035	135,699
Capital outlay	70,322	26,109	22,084	226,174	299,179	683,270	398,923	655,041	268,970	93,326
Capital projects	22,670	783,008	2,724,864	4,784	90,173	-	-	-	-	-
Special revenue funds	331,908	304,284	330,790	314,302	319,491	305,743	306,692	392,630	570,668	1,476,053
Debt service										
Principal	465,000	530,000	574,728	642,083	695,657	659,321	510,000	505,000	505,000	495,000
Interest and other charges	265,911	243,823	221,024	198,224	124,630	139,961	124,661	104,261	84,061	63,861
Total expenditures	20,471,138	22,180,344	24,495,067	21,750,175	23,026,948	23,272,717	22,178,733	21,665,615	21,881,096	21,832,508

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 279,072	\$ (929,551)	\$ (2,774,726)	\$ 747,304	\$ 314,519	\$ 125,098	\$ 894,709	\$ 1,431,053	\$ 1,530,801	\$ 1,611,228
Other financing sources (uses)										
Transfer in (out)	-	-	-	-	-	-	(7,800)	-	-	(1,384)
Proceeds from bond issue & refunding bond issue	-	-	-	-	3,600,000	-	-	-	-	-
Premium on bond issue	-	-	-	-	274,759	-	-	-	-	-
Payments to refunding bond escrow agent	-	-	-	-	(3,784,586)	-	-	-	-	-
Lease purchase proceeds	581,789	2,600,000	-	-	-	-	-	-	-	-
Total other financing sources (uses)	581,789	2,600,000	-	-	90,173	-	(7,800)	-	-	(1,384)
Net change in fund balances	<u>\$ 860,861</u>	<u>\$ 1,670,449</u>	<u>\$ (2,774,726)</u>	<u>\$ 747,304</u>	<u>\$ 404,692</u>	<u>\$ 125,098</u>	<u>\$ 886,909</u>	<u>\$ 1,431,053</u>	<u>\$ 1,530,801</u>	<u>\$ 1,609,844</u>
Debt service as a percentage of non-capital expenditures	3.72%	3.76%	3.80%	4.06%	3.76%	3.67%	3.00%	2.99%	2.80%	2.64%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 734	\$ 844	\$ 1,405	\$ 9,676	\$ 24,275	\$ 41,880	\$ 33,405	\$ 12,341	\$ 15,985	\$ 131,537
Tuition	-	-	1,795	146,840	210,636	288,101	210,652	106,288	80,800	79,523
Transportation	-	-	-	-	-	-	585	180	2,834	850
Prior year refunds	3,692	12,316	2,510	3,030	8,476	1,644	12,105	19,728	24,638	43,112
Prior year payables canceled	8,114	2,641	-	-	-	-	-	-	-	-
Void prior year checks	-	6,623	-	9,249	-	-	-	-	-	-
Grants/Donations	-	7,971	-	300	-	3,704	-	-	-	-
Building use fees	43,725	53,995	50,673	29,000	15,068	-	-	-	2,225	-
E-Rate rebates	-	11,092	-	10,207	4,924	2,837	1,560	-	-	-
Book fines	205	291	208	97	60	88	137	-	-	-
ESIP Rebate	-	-	-	21,655	887	-	-	-	-	-
Prior year FEMA refunds	-	-	-	9,488	-	-	-	-	-	-
Miscellaneous	302	296	5,265	4,239	6,866	787	1,691	644	362	1,763
Annual totals	\$ 56,772	\$ 96,069	\$ 61,856	\$ 243,781	\$ 271,192	\$ 339,041	\$ 260,135	\$ 139,181	\$ 126,844	\$ 256,785

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 13,211,100	\$ 12,883,600	\$ 11,921,300	\$ 10,256,000	\$ 9,997,600	\$ 9,808,600	\$ 9,863,900	\$ 9,295,700	\$ 9,019,200	\$ 8,744,400
Residential	660,238,600	660,580,300	661,887,900	665,387,800	668,143,500	666,771,500	668,118,700	669,047,000	670,415,800	671,412,536
Farm regular	44,767,900	44,274,300	43,811,800	42,688,700	41,191,600	42,367,700	41,420,500	41,047,900	41,534,800	40,963,100
Q farm	2,700,400	2,594,900	2,611,500	2,568,500	2,617,400	2,666,900	2,719,900	2,697,600	2,707,300	2,702,700
Commercial	31,201,100	31,196,800	30,986,700	30,965,700	30,973,800	30,973,800	30,973,800	30,973,800	31,079,200	31,103,800
Industrial	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300	2,722,300
Apartment	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400	15,470,400
Total assessed value	770,311,800	769,722,600	769,411,900	770,059,400	771,116,600	770,781,200	771,289,500	771,254,700	772,949,000	773,119,236
Public utilities (a)	406,852	-	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 770,718,652	\$ 769,722,600	\$ 769,411,900	\$ 770,059,400	\$ 771,116,600	\$ 770,781,200	\$ 771,289,500	\$ 771,254,700	\$ 772,949,000	\$ 773,119,236
Estimated actual county equalized value	\$ 800,770,196	\$ 815,789,959	\$ 835,486,916	\$ 847,314,185	\$ 872,415,145	\$ 879,522,154	\$ 886,753,820	\$ 885,584,675	\$ 938,455,023	\$ 1,037,276,999
Percentage of net valuation to estimated actual equalized value	96.25%	94.35%	92.09%	90.88%	88.39%	87.64%	86.98%	87.09%	82.36%	74.53%
Regional school tax rate by constituent district (b)										
Independence Township	\$ 1.700	\$ 1.785	\$ 1.818	\$ 1.897	\$ 1.888	\$ 1.938	\$ 1.965	\$ 2.061	\$ 2.071	\$ 2.117
Liberty Township	\$ 1.830*	\$ 1.802	\$ 1.905	\$ 1.831	\$ 1.927	\$ 1.937	\$ 2.038	\$ 1.991	\$ 2.064	\$ 2.095

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 7,238,900	\$ 7,086,400	\$ 6,480,400	\$ 6,182,900	\$ 5,846,500	\$ 5,817,800	\$ 5,797,600	\$ 5,270,100	\$ 5,270,100	\$ 5,067,000
Residential	427,583,300	428,317,600	428,718,500	432,070,000	433,039,200	433,080,200	434,099,600	435,053,700	436,515,500	437,408,300
Farm regular	21,344,100	20,818,200	20,930,400	20,007,000	19,739,000	19,683,900	19,121,500	18,936,600	18,921,300	18,673,600
Q farm	2,020,900	1,934,500	1,949,200	1,905,100	1,905,100	1,905,500	1,964,700	1,908,800	1,910,500	1,906,300
Commercial	24,811,900	24,807,600	24,597,500	24,696,900	24,705,000	24,705,000	24,626,000	24,626,000	24,731,400	24,756,000
Industrial	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500	2,413,500
Apartment	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600	15,161,600
Total assessed value	500,574,200	500,539,400	500,251,100	502,437,000	502,809,900	502,767,500	503,184,500	503,370,300	504,923,900	505,386,300
Public utilities (a)	406,852	-	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 500,981,052	\$ 500,539,400	\$ 500,251,100	\$ 502,437,000	\$ 502,809,900	\$ 502,767,500	\$ 503,184,500	\$ 503,370,300	\$ 504,923,900	\$ 505,386,300
Estimated actual county equalized value	\$ 535,923,248	\$ 558,887,226	\$ 561,260,070	\$ 573,427,300	\$ 593,076,079	\$ 593,726,382	\$ 590,453,532	\$ 588,806,059	\$ 621,368,324	\$ 694,689,072
Percentage of net valuation to estimated actual equalized value	93.48%	89.56%	89.13%	87.62%	84.78%	84.68%	85.22%	85.49%	81.26%	72.75%
Total direct school tax rate (b)	\$ 1.700	\$ 1.785	\$ 1.818	\$ 1.897	\$ 1.888	\$ 1.938	\$ 1.965	\$ 2.061	\$ 2.071	\$ 2.117

*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.

(b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 5,972,200	\$ 5,797,200	\$ 5,440,900	\$ 4,073,100	\$ 4,151,100	\$ 3,990,800	\$ 4,066,300	\$ 4,025,600	\$ 3,749,100	\$ 3,677,400
Residential	232,655,300	232,262,700	233,169,400	233,317,800	235,104,300	233,691,300	234,019,100	233,993,300	233,900,300	234,004,236
Farm regular	23,423,800	23,456,100	22,881,400	22,681,700	21,452,600	22,683,800	22,299,000	22,111,300	22,613,500	22,289,500
Q farm	679,500	660,400	662,300	663,400	712,300	761,400	755,200	788,800	796,800	796,400
Commercial	6,389,200	6,389,200	6,389,200	6,268,800	6,268,800	6,268,800	6,347,800	6,347,800	6,347,800	6,347,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
Total assessed value	269,428,800	268,874,400	268,852,000	267,313,600	267,997,900	267,704,900	267,796,200	267,575,600	267,716,300	267,424,136
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 269,428,800	\$ 268,874,400	\$ 268,852,000	\$ 267,313,600	\$ 267,997,900	\$ 267,704,900	\$ 267,796,200	\$ 267,575,600	\$ 267,716,300	\$ 267,424,136
Estimated actual county equalized value	\$264,846,948	\$256,902,733	\$274,226,846	\$273,886,885	\$279,339,066	\$285,795,772	\$296,300,288	\$296,778,616	\$317,086,699	\$ 342,587,927
Percentage of net valuation to estimated actual equalized value	101.73%	104.66%	98.04%	97.60%	95.94%	93.67%	90.38%	90.16%	84.43%	78.06%
Total direct school tax rate (b)	\$ 1.830	\$ 1.802	\$ 1.905	\$ 1.831	\$ 1.927	\$ 1.937	\$ 2.038	\$ 1.991	\$ 2.064	\$ 2.095

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate	Municipality	County	
2014	* \$ 1.650	\$ 0.050	\$ 1.700	\$ 0.500	\$ 0.830	\$ 3.030
2015	1.715	0.070	1.785	0.513	0.870	3.168
2016	1.748	0.070	1.818	0.537	0.860	3.215
2017	1.827	0.070	1.897	0.554	0.873	3.324
2018	1.818	0.070	1.888	0.562	0.865	3.315
2019	1.874	0.064	1.938	0.573	0.849	3.360
2020	1.906	0.059	1.965	0.579	0.828	3.372
2021	2.000	0.061	2.061	0.584	0.821	3.466
2022	2.013	0.058	2.071	0.594	0.840	3.505
2023	2.062	0.055	2.117	0.605	0.871	3.593

Sources: Municipal Tax Collector

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Direct School Tax Rate	Municipality	County	
2014	\$ 1.760	\$ 0.070	\$ 1.830	\$ 0.340	\$ 0.760	\$ 2.930
2015	1.732	0.070	1.802	0.334	0.745	2.881
2016	1.835	0.070	1.905	0.333	0.781	3.019
2017	1.761	0.070	1.831	0.338	0.784	2.953
2018	1.857	0.070	1.927	0.337	0.764	3.028
2019	1.875	0.062	1.937	0.347	0.767	3.051
2020	1.977	0.061	2.038	0.350	0.780	3.168
2021	1.932	0.059	1.991	0.356	0.777	3.124
2022	2.007	0.057	2.064	0.366	0.808	3.238
2023	2.041	0.054	2.095	0.385	0.812	3.292

Sources: Municipal Tax Collector

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

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

See independent auditors' report.

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

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Towpath Associates LLC	\$ 12,542,900	1	2.48%	\$ 12,542,900	1	2.50%
Extra Space Properties Eighty LLC	4,664,000	2	0.92%	4,664,000	2	0.93%
Axar Properties LLC	3,854,800	3	0.76%	3,854,800	3	0.77%
Kamping LLC	1,688,000	4	0.33%	-		0.00%
NUJA Realty Corp	1,396,600	5	0.28%	1,396,600	5	0.28%
Individual property owner #1	1,292,500	6	0.26%	1,284,500	6	0.26%
Individual property owner #2	1,230,100	7	0.24%	1,280,500	7	0.26%
Individual property owner #3	951,900	8	0.19%	1,215,100	8	0.24%
SMM Independence LLC	937,500	9	0.19%	-		0.00%
Crown Atlantic Co. LLC	931,200	10	0.18%	-		0.00%
Saloga LP	-		0.00%	1,688,000	4	0.34%
Individual property owner #4	-		0.00%	986,000	9	0.20%
Great Meadows Timing Association	-		0.00%	940,400	10	0.19%
	<u>\$ 29,489,500</u>		<u>5.83%</u>	<u>\$ 29,852,800</u>		<u>5.97%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Rapid Funding LLC	\$ 1,469,800	1	0.55%	\$ -		0.00%
Topp Orange LLC	1,031,100	2	0.38%	1,032,200	4	0.38%
John E. Rogers Inc.	801,600	3	0.30%	815,100	5	0.30%
Individual property owner	650,800	4	0.24%	650,600	8	0.24%
Individual property owner	553,600	5	0.21%	-		0.00%
Individual property owner	550,800	6	0.20%	-		0.00%
Individual property owner	540,000	7	0.20%	-		0.00%
Individual property owner	537,800	8	0.20%	-		0.00%
Individual property owner	525,300	9	0.20%	-		0.00%
Individual property owner	499,300	10	0.19%	-		0.00%
Pryslak Farms	-		0.00%	1,436,500	1	0.53%
Wooded Valley Estate LLC	-		0.00%	1,187,200	2	0.44%
Individual property owner	-		0.00%	1,148,100	3	0.43%
Individual property owner	-		0.00%	711,500	6	0.26%
Individual property owner	-		0.00%	652,600	7	0.24%
Individual property owner	-		0.00%	641,400	9	0.24%
Individual property owner	-		0.00%	634,200	10	0.24%
	<u>\$ 7,160,100</u>		<u>2.67%</u>	<u>\$ 8,909,400</u>		<u>3.30%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ended June 30,	Taxes Levied for the Year		Collected within the Year of the Levy (a)	
	Township of Independence	Township of Liberty	Amount	Percentage of Levy
2014	\$ 8,266,020	\$ 4,886,829	\$ 13,152,849	100.00%
2015	8,520,575	4,934,695	13,455,270	100.00%
2016	8,932,297	4,846,435	13,778,732	100.00%
2017	9,095,701	5,121,110	14,216,811	100.00%
2018	9,533,608	4,894,546	14,428,154	100.00%
2019	9,505,968	5,170,671	14,676,639	100.00%
2020	9,730,712	5,179,994	14,910,706	100.00%
2021	9,889,180	5,457,784	15,346,964	100.00%
2022	10,378,004	5,326,005	15,704,009	100.00%
2023	10,460,328	5,526,540	15,986,868	100.00%

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases					
2014	\$ 5,695,000	\$ -	\$ 581,789	\$ -	\$ -	\$ 6,276,789	1.58%	\$ 747
2015	5,215,000	-	3,131,789	-	-	8,346,789	2.03%	994
2016	4,735,000	-	2,931,208	-	-	7,666,208	1.81%	916
2017	4,235,000	-	2,592,654	-	-	6,827,654	1.60%	822
2018	3,570,000	-	2,249,058	-	-	5,819,058	1.32%	703
2019	3,060,000	-	1,951,803	-	-	5,011,803	1.10%	607
2020	2,550,000	-	1,795,559	-	-	4,345,559	0.93%	528
2021	2,045,000	-	1,666,083	-	-	3,711,083	0.75%	451
2022	1,540,000	-	1,527,994	-	-	3,067,994	0.60%	376
2023	1,045,000	-	1,380,906	-	-	2,425,906	N/A	296

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 5,695,000	\$ -	\$ 5,695,000	0.74%	\$ 678
2015	5,215,000	-	5,215,000	0.68%	621
2016	4,735,000	-	4,735,000	0.62%	566
2017	4,235,000	-	4,235,000	0.55%	510
2018	3,570,000	-	3,570,000	0.46%	431
2019	3,060,000	-	3,060,000	0.40%	370
2020	2,550,000	-	2,550,000	0.33%	310
2021	2,045,000	-	2,045,000	0.27%	249
2022	1,540,000	-	1,540,000	0.20%	189
2023	1,045,000	-	1,045,000	0.14%	127

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Township of Independence	\$ 209,000	100%	\$ 209,000
Township of Liberty	-	100%	-
County general obligation debt	830,000	8%	<u>64,927</u>
Subtotal, overlapping debt			273,927
School district direct debt	1,540,000	100%	<u>1,540,000</u>
Total direct and overlapping debt			<u><u>\$ 1,813,927</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022 \$ 991,076,763
	2021 936,376,488
	2020 931,550,933
	\$ 2,859,004,184
Average equalized valuation of taxable property	\$ 953,001,395
Debt limit (3.0% of average equalization value)	\$ 28,590,042
Total net debt applicable to limit	1,045,000
Legal debt margin	\$ 27,545,042

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 25,975,427	\$ 26,373,105	\$ 26,516,605	\$ 27,081,520	\$ 28,590,042
Total net debt applicable	3,060,000	2,550,000	2,045,000	1,540,000	1,045,000
Legal debt margin	\$ 22,915,427	\$ 23,823,105	\$ 24,471,605	\$ 25,541,520	\$ 27,545,042
Total net debt applicable to the limit as a percentage of debt limit	11.78%	9.67%	7.71%	5.69%	3.66%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 26,905,847	\$ 25,420,239	\$ 24,870,352	\$ 24,985,874	\$ 25,534,909
Total net debt applicable	5,695,000	5,215,000	4,735,000	4,235,000	3,570,000
Legal debt margin	\$ 21,210,847	\$ 20,205,239	\$ 20,135,352	\$ 20,750,874	\$ 21,964,909
Total net debt applicable to the limit as a percentage of debt limit	21.17%	20.52%	19.04%	16.95%	13.98%

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

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

See independent auditors' report.

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

Year	Township of Independence Population (a)	Township of Liberty Population (a)	Township of Independence Personal Income (b)	Township of Liberty Personal Income (b)	Per Capita Personal Income (c)	Township of Independence Unemployment Rate (d)	Township of Liberty Unemployment Rate (d)
2014	5,530	2,872	\$ 261,143,190	\$ 135,624,456	\$ 47,223	6.1%	6.3%
2015	5,530	2,867	270,345,110	140,159,029	48,887	5.1%	5.7%
2016	5,513	2,855	279,735,133	144,865,555	50,741	4.0%	4.3%
2017	5,470	2,836	281,721,410	146,062,508	51,503	3.6%	4.2%
2018	5,452	2,823	289,768,348	150,039,627	53,149	3.2%	3.8%
2019	5,440	2,821	299,053,120	155,078,833	54,973	2.9%	3.1%
2020	5,421	2,813	308,758,476	160,217,228	56,956	7.8%	8.1%
2021	5,413	2,812	327,621,825	170,196,300	60,525	5.6%	4.6%
2022	5,481	2,680	345,527,721	168,949,880	63,041	3.2%	3.5%
2023	5,509	2,693	N/A	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

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

2023

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function/program										
Instruction										
Regular	65.6	65.6	65.6	65.6	65.6	64.0	45.0	43.0	38.0	42.0
Special education	17.6	14.6	14.6	14.6	15.6	18.0	41.0	39.4	39.6	37.0
Support services										
Student and instruction related services	23.0	23.0	23.0	23.0	23.0	27.0	19.3	17.0	15.2	16.0
General administration	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.7	1.5	1.5
School administration services	7.0	7.0	7.0	7.0	7.0	6.7	6.7	4.7	5.5	5.5
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.7	2.5	2.5
Plant operations and maintenance	12.0	11.0	11.0	11.0	11.0	11.4	11.3	9.6	7.0	7.0
Total	<u>131.2</u>	<u>127.2</u>	<u>127.2</u>	<u>127.2</u>	<u>128.2</u>	<u>132.1</u>	<u>127.9</u>	<u>119.1</u>	<u>110.3</u>	<u>112.5</u>

Source: District Personnel Records

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	811	\$ 19,647,235	\$ 24,226	6.01%	85	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85	1 to 9	754.9	723.8	-6.00%	95.88%
2016	714	20,952,367	29,345	8.28%	85	1 to 8	711.0	683.4	-5.82%	96.12%
2017	714	20,678,910	28,962	-1.31%	85	1 to 8	713.8	685.3	0.39%	96.01%
2018	690	21,817,309	31,619	9.17%	86	1 to 8	692.3	659.6	-3.01%	95.28%
2019	660	21,790,165	33,015	4.42%	82	1 to 8	651.5	615.7	-5.89%	94.50%
2020	638	21,145,149	33,143	0.39%	67	1 to 10	631.8	603.8	-3.02%	95.57%
2021	616	20,401,313	33,119	-0.07%	65	1 to 9	612.8	589.5	-3.01%	96.20%
2022	634	21,023,065	33,159	0.12%	57	1 to 11	655.5	614.8	6.97%	93.79%
2023	647	21,180,321	32,736	-1.28%	63	1 to 10	641.8	599.4	-2.09%	93.39%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

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

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
<u>Liberty School (1972)</u>										
Square feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (students)	296	296	296	296	296	296	296	296	296	296
Enrollment	287	262	240	219	225	197	-	-	-	-
<u>Central School (1918)</u>										
Square feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	229	200	199	221	205	218	287	282	298	300
Middle										
<u>Great Meadows Middle School (1998)</u>										
Square feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (students)	564	564	564	564	564	564	564	564	564	564
Enrollment	296	297	279	269	260	245	345	337	336	347
<u>Number of schools at June 30, 2023</u>										
Elementary	2									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ended	School Facilities*			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2014	\$ 58,306	\$ 51,767	\$ 111,719	\$ 221,792
2015	48,322	70,541	68,444	187,307
2016	53,500	47,292	65,675	166,467
2017	64,943	52,784	94,075	211,802
2018	69,175	79,334	98,483	246,992
2019	81,549	105,186	68,414	255,149
2020	30,340	133,508	115,264	279,112
2021	30,300	207,103	80,188	317,591
2022	45,043	70,581	193,088	308,712
2023	32,612	176,270	337,156	546,038
Total school facilities	<u>\$ 514,090</u>	<u>\$ 994,366</u>	<u>\$ 1,232,506</u>	<u>\$ 2,740,962</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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & Personal Property (per occurrence)	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	-
Limited Builders Risk	10,000,000	-
Fire Dept. Service Charge	10,000	-
Arson Reward	10,000	-
Pollution Cleanup & Removal	250,000	-
Flood/Earthquake		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	-
Electronic Data Processing		
Blanket Hardware/Software, Extra Expense, Business Income	500,000	1,000
Flood (Deductible for Zone A & Z)	-	500,000
(Deductible All Other Flood Zones)	-	10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Inc.	100,000,000	5,000
Property Damage	Included	-
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage		
Public Employee Dishonesty	100,000	500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	50,000	500
Forgery or Alteration	50,000	500
Computer Fraud	50,000	-

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Public Officials Bond		
Treasurer - P Hatch (Selective Ins Co)	\$ 210,000	\$ -
General Liability		
Bodily Injury & Property Damage	11,000,000	-
Products & Completed Operations	11,000,000	-
Sexual Abuse	11,000,000	-
Personal Injury & Advertising Injury	11,000,000	-
Employee Benefits Liability	11,000,000	1,000
Premises Medical Payments	\$10,000 per accident	-
	\$5,000 per person	-
Terrorism	1,000,000	-
Automotive Coverage		
Combined Single Limit for Bodily Injury & Property Damage	11,000,000	1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	1,000
Underinsured	1,000,000	1,000
Terrorism	1,000,000	1,000
Garagekeepers	Included	-
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	11,000,000	5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	5,000
	\$300,000/agg	5,000
Retro Date	7/1/1986	-
Workers' Compensation		
Part One	Statutory	-
Part Two		-
Bodily Injury by Accident	2,000,000	-
Bodily Injury by Disease	2,000,000	-
Student/Athletic Volunteer Accident		
All School - US Fire Ins Co	25,000	-
Excess Coverage - Medical Expense benefits - AIG	7,500,000	25,000
Volunteer Workers	25,000	1,000

See independent auditors' report.

SINGLE AUDIT SECTION

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



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters


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

Purpose of this Report

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



BKC, CPAs, PC



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

December 6, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Great Meadows Regional School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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



BKC, CPAs, PC



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

December 6, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027	H027A210100	IDEA-1785-22	\$ 216,682	07/01/21	06/30/22	\$ (30,524)	\$ -	\$ 30,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
IDEA Basic	84.027	H027A220100	IDEA-1785-23	234,975	07/01/22	06/30/23	-	-	172,951	234,975	-	-	(62,024)	-	-		
IDEA Preschool	84.173A	H173A210114	IDEA-1785-22	6,229	07/01/21	06/30/22	(3,170)	-	135	-	-	-	(3,035)	-	-		
IDEA Preschool	84.173A	H173A220114	IDEA-1785-23	8,843	07/01/22	06/30/23	-	-	5,996	6,703	-	-	(707)	-	-		
Total special education cluster (IDEA)							(33,694)	-	209,606	241,678	-	-	(65,766)	-	-		
ESSA Title I A	84.010	S020A210030	ESSA-1785-22	141,724	07/01/21	06/30/22	(2,793)	-	2,793	-	-	-	-	-	-		
ESSA Title I A	84.010	S020A220030	ESSA-1785-23	164,038	07/01/22	06/30/23	-	-	80,925	123,859	-	-	(42,934)	-	-		
ESSA Title II A	84.367A	S367A210029	ESSA-1785-22	33,918	07/01/21	06/30/22	(8,189)	-	3,463	-	-	-	(4,726)	-	-		
ESSA Title II A	84.367A	S367A220029	ESSA-1785-23	42,736	07/01/22	06/30/23	-	-	9,836	5,689	-	-	-	4,147	-		
ESSA Title IV A	84.424A	S424A220031	ESSA-1785-23	13,894	07/01/22	06/30/23	-	-	10,440	10,440	-	-	-	-	-		
COVID-19																	
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-1785-23	234,475	03/13/20	09/30/23	(12,458)	-	187,878	216,415	-	-	(40,995)	-	-		
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-1785-23	25,000	03/13/20	09/30/23	-	-	795	795	-	-	-	-	-		
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-1785-23	45,000	03/13/20	09/30/23	(1,181)	-	8,074	9,798	-	-	(2,905)	-	-		
ARP - ESSER																	
ARP - ESSER	84.425U	S425U210027	ESSER-1785-24	526,968	03/13/20	09/30/24	(27,326)	-	256,678	312,677	-	-	(83,325)	-	-		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-1785-24	75,336	03/13/20	09/30/24	(72,600)	-	23,300	-	-	-	(49,300)	-	-		
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	ESSER-1785-24	40,000	03/13/20	09/30/24	(138)	-	35,625	35,625	-	-	(138)	-	-		
Evidenced Based Beyond the School Day	84.425U	S425U210027	ESSER-1785-24	40,000	03/13/20	09/30/24	-	-	18,167	18,188	-	-	(21)	-	-		
NJTSS Mental Health	84.425U	S425U210027	ESSER-1785-24	45,000	03/13/20	09/30/24	-	-	7,385	7,385	-	-	-	-	-		
ARP IDEA Basic	84.027X	H027X210100	ARP-1785-22	28,043	07/01/21	09/30/22	-	-	23,580	24,707	-	-	(1,127)	-	-		
ARP IDEA Preschool	84.173X	H173X210114	ARP-1785-22	2,390	07/01/21	09/30/22	(1,850)	-	1,491	540	-	-	(899)	-	-		
Coronavirus Relief Fund	84.425	S425D200027	CARES-1785-21	36,150	07/01/20	06/30/21	90	-	-	-	-	-	-	90	-		
Rural Education Achievement Program																	
Program	84.358	S358B220030	REAP-1785-23	38,343	07/01/21	06/30/22	-	-	38,343	38,343	-	-	-	-	-		
ACSERS	21.027	SFLRDOE1SES	ASERS-1785-23	259,679	07/01/21	06/30/22	-	-	129,840	259,679	-	-	(129,839)	-	-		
Total Special Revenue Fund							(160,139)	-	1,048,219	1,305,818	-	-	(421,975)	4,237	-		
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	20,806	10/01/22	09/30/23	-	-	20,806	18,165	-	-	-	2,641	-		
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	11,625	10/01/21	09/30/22	1,299	-	-	1,299	-	-	-	-	-		
Cash Assistance	10.555	231NJ304N1199	N/A	57,603	10/01/22	09/30/23	-	-	54,925	57,603	-	-	(2,678)	-	-		
Cash Assistance	10.555	221NJ304N1099	N/A	221,120	10/01/21	09/30/22	(16,354)	-	16,354	-	-	-	-	-	-		
National Breakfast Program	10.553	221NJ304N1099	N/A	13,822	10/01/21	09/30/22	(245)	-	245	-	-	-	-	-	-		
Total Child Nutrition Cluster							(15,300)	-	92,330	77,067	-	-	(2,678)	2,641	-		
Supply Chain Assistance	10.555	231NJ304N1199	N/A	43,543	10/01/22	09/30/23	-	-	43,543	43,543	-	-	-	-	-		
Total Enterprise Fund							(15,300)	-	135,873	120,610	-	-	(2,678)	2,641	-		
Total Federal Awards							\$ (175,439)	\$ -	\$ 1,184,092	\$ 1,426,428	\$ -	\$ -	\$ (424,653)	\$ 6,878	\$ -		

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	23-495-034-5120-014	\$ 147,093	07/01/22	06/30/23	\$ -	\$ -	\$ 134,037	\$ 147,093	\$ -	\$ -	\$ -	\$ -	\$ 13,056	\$ 147,093
Equalization Aid	23-495-034-5120-078	1,316,796	07/01/22	06/30/23	-	-	1,199,916	1,316,796	-	-	-	-	116,880	1,316,796
Special Education Aid	23-495-034-5120-089	763,471	07/01/22	06/30/23	-	-	695,704	763,471	-	-	-	-	67,767	763,471
Security Aid	23-495-034-5120-084	105,232	07/01/22	06/30/23	-	-	95,891	105,232	-	-	-	-	9,341	105,232
Stabilization Aid	23-495-034-5120-128	292,800	07/01/22	06/30/23	-	-	266,811	292,800	-	-	-	-	25,989	292,800
Lead Testing for Schools Aid	23-495-034-5120-104	1,670	07/01/22	06/30/23	-	-	1,670	1,670	-	-	-	-	-	1,670
Secure our Children's Future Bond Act	23-100-082-2600-A92	28,977	07/01/22	06/30/23	-	-	28,977	28,977	-	-	-	-	-	28,977
Extraordinary Special Education Costs Aid	22-495-034-5120-044	232,776	07/01/21	06/30/22	(232,776)	-	232,776	-	-	-	-	-	-	232,776
Extraordinary Special Education Costs Aid	23-495-034-5120-044	251,242	07/01/22	06/30/23	-	-	-	251,242	-	(251,242)	-	-	-	251,242
Non-Public Transportation Aid	22-495-034-5120-014	7,830	07/01/21	06/30/22	(7,830)	-	7,830	-	-	-	-	-	-	7,830
Non-Public Transportation Aid	23-495-034-5120-014	10,694	07/01/22	06/30/23	-	-	-	10,694	-	(10,694)	-	-	-	10,694
On-Behalf TPAF Pension Contribution - Post Retirement Medical	23-495-034-5094-001	464,394	07/01/22	06/30/23	-	-	464,394	464,394	-	-	-	-	-	464,394
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	24,190	07/01/22	06/30/23	-	-	24,190	24,190	-	-	-	-	-	24,190
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	1,743,598	07/01/22	06/30/23	-	-	1,743,598	1,743,598	-	-	-	-	-	1,743,598
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	723	07/01/22	06/30/23	-	-	723	723	-	-	-	-	-	723
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	345,031	07/01/22	06/30/23	-	-	312,447	345,031	-	(32,584)	-	-	-	345,031
Total General Fund					(240,606)	-	5,208,964	5,495,911	-	(294,520)	-	-	233,033	5,736,517
State Department of Education														
Special Revenue Fund														
School Climate Change Pilot	23-WB01-G02	6,660	07/01/22	06/30/23	-	-	6,660	6,660	-	-	-	-	-	6,660
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	14,604	07/01/22	06/30/23	-	-	14,604	14,604	-	-	-	-	-	14,604
Total Special Revenue Fund					-	-	21,264	21,264	-	-	-	-	-	21,264
Debt Service Fund														
Debt Service Aid - State Support	23-495-034-5120-017	142,202	07/01/22	06/30/23	-	-	142,202	142,202	-	-	-	-	-	142,202
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	5,140	07/01/21	06/30/22	(374)	-	374	-	-	-	-	-	-	5,140
State School Lunch Program	23-100-010-3350-023	2,481	07/01/22	06/30/23	-	-	2,368	2,481	-	(113)	-	-	-	2,481
Total Enterprise Fund					(374)	-	2,742	2,481	-	(113)	-	-	-	7,621

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022			Budgetary Expenditure	Adjustments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (240,980)</u>	<u>\$ -</u>	<u>\$5,375,172</u>	\$ 5,661,858	\$ -	\$ (294,633)	\$ -	\$ -	\$ 233,033	\$ 5,907,604
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							1,743,598						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							24,190						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							464,394						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							723						
Total for State Financial Assistance - Major Program Determination								<u>\$ 3,428,953</u>						

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$94,554 for the general fund and \$72,153 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 3 - Relationship to basic financial statements (continued)

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

	Federal	State	Total
General fund	\$ -	\$ 5,590,465	\$ 5,590,465
Special revenue fund	1,377,971	21,264	1,399,235
Debt service fund	-	142,202	142,202
Food service fund	120,609	2,481	123,090
Total awards and financial assistance	<u>\$ 1,498,580</u>	<u>\$ 5,756,412</u>	<u>\$ 7,254,992</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2023.

Note 6 - Indirect costs

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

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

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

Unmodified

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

Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>IDEA Cluster:</u>
<u>84.027</u>	<u>H027A210100</u>	<u>IDEA Basic</u>
<u>84.173A</u>	<u>H027A210100</u>	<u>IDEA Preschool</u>
		<u>Child Nutrition Cluster:</u>
<u>10.555</u>	<u>231NJ304N1099</u>	<u>National School Lunch Program</u>
<u>21.027</u>	<u>SFLRDOE1SES</u>	<u>ACSERS</u>

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

\$750,000

Did the auditee qualify as a low-risk auditee?

Yes No

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

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

State Awards

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

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<i>23-495-034-5120-078</i>	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-089</i>	<i>Equalization Aid</i>
<i>23-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-128</i>	<i>Security Aid</i>
 	<i>Stabilization Aid</i>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2023**

Status of Prior Year Findings

There were no prior year findings or questioned costs.