

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



## *Galloway Township Public Schools*

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

Stephen P. Santilli  
Superintendent of Schools

Joy N. Nixon, CPA  
School Business Administrator

January 8, 2025

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

Dear Board Members:

The annual comprehensive financial report of the Township of Galloway Public School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Township of Galloway Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an enrollment of 3,247 students (including 36 students attending Charter Schools). The following details the changes in the student enrollment of the District over the last ten years.

#### **June 30 Enrollment Per Year Data**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2023-24	3,247	-0.28%
2022-23	3,256	-0.00%
2021-22	3,257	-2.19%
2020-21	3,330	-0.39%
2019-20	3,343	0.91%
2018-19	3,313	-0.45%
2017-18	3,328	0.30%
2016-17	3,318	0.58%
2015-16	3,299	0.52%
2014-15	3,282	-4.87%

### **2) ECONOMIC CONDITION AND OUTLOOK:**

General businesses and economic growth to the area have slowed over the past decade. This has been due to the economy and recovery from the global health pandemic of 2020. The majority of the last ten years, enrollment has leveled with only slight increases/decreases. While this health and related economic downturn has stabilized in the last year, Township of Galloway does anticipate some housing growth in the near future.

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

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

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

- Expanded preschool across all four elementary schools in the district and with Greater Egg Harbor Regional High School at Absegami High School.
- Purchased supplemental and/or replacement materials for all content areas and programs.
- Maintained instructional technology through purchase of updated teacher workstations, student chromebooks, and interactive flat panel displays.

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

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

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

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

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

## **5) BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2024.

## **6) ACCOUNTING SYSTEM AND REPORTS:**

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

## **7) CASH MANAGEMENT:**

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

## **8) RISK MANAGEMENT:**

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

## **9) OTHER INFORMATION:**

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

**10) ACKNOWLEDGMENTS:**

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

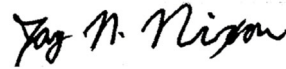
Respectfully submitted,

Stephen P. Santilli



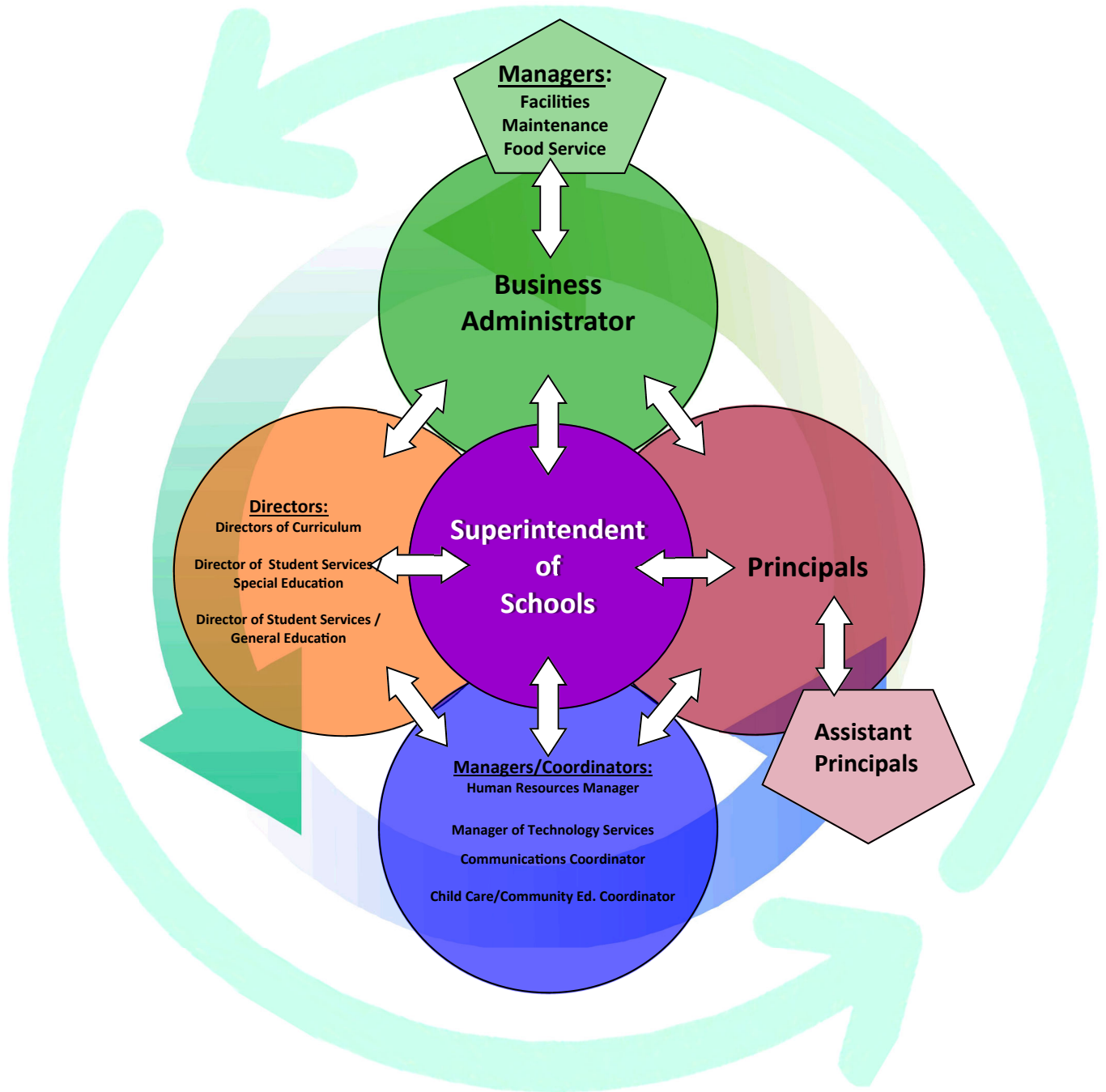
Superintendent of Schools

Joy N. Nixon



School Business Administrator/  
Board Secretary

## Organizational Chart





***GALLOWAY TOWNSHIP PUBLIC SCHOOLS  
MEMBERS OF THE BOARD OF EDUCATION AND  
ADMINISTRATIVE STAFF  
AS OF JUNE 30, 2024***

**SCHOOL BOARD MEMBERS**

**TERM EXPIRES**

Suzette Carmen, President	2025
Richard Dase, Vice-President	2024
Madeline Avery	2024
Alexa Beshara – Blauth, D.M.	2024
Ethel Hermenau	2026
Belinda Chester	2025
Virginia A Larrea	2026
James Gentile	2025
Sherri Parmenter, Ed. D.	2026

**ADMINISTRATIVE STAFF**

Stephen P. Santilli, Superintendent of Schools,  
Joy N. Nixon, CPA, MBA , Board Secretary, School Business Administrator

**PRINCIPALS**  
**ELEMENTARY SCHOOLS**

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

**MIDDLE SCHOOL**

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

**Audit Firm**

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

**Attorney**

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

**Architect**

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

**Official Depository**

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

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025 on our consideration of the Township of Galloway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Galloway School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Galloway School District's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

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

Voorhees, New Jersey  
January 8, 2025

REQUIRED SUPPLEMENTARY INFORMATION  
PART I



**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited)

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The management's discussion and analysis of Township of Galloway School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

**FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2024:

- The assets and deferred outflows of resources of the Township of Galloway School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$26,797,049 (net position).
- The School District's total net position increased by \$2,178,735. This increase is primarily attributable to excess revenue received over budgeted amounts.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$17,800,851, an increase of \$3,150,187 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$570,062, which is an decrease of \$270,582 in comparison with the prior fiscal year.
- The Township of Galloway School District's bonded debt decreased by \$169,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

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## **OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

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

### **Government-Wide Statements**

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

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

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

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

### **Fund Financial Statements**

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

The School District has two kinds of funds:

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Table 1 provides a summary of the School District's net position for fiscal years 2024 and 2023.

<b>TABLE 1</b>				
Net Position				
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 21,355,829	\$ 17,591,078	\$ 3,764,752	21.40%
Capital Assets, net	<u>26,091,678</u>	<u>27,912,355</u>	<u>(1,820,677)</u>	<u>-6.52%</u>
Total Assets	<u>47,447,507</u>	<u>45,503,432</u>	<u>1,944,075</u>	<u>4.27%</u>
Deferred Outflows of Resources:				
Related to Pensions	<u>1,932,120</u>	<u>2,733,670</u>	<u>(801,550)</u>	<u>-29.32%</u>
Liabilities:				
Long-Term Liabilities	17,628,602	18,281,374	(652,772)	-3.57%
Other Liabilities	<u>3,886,993</u>	<u>2,855,776</u>	<u>1,031,217</u>	<u>36.11%</u>
Total Liabilities	<u>21,515,595</u>	<u>21,137,150</u>	<u>378,445</u>	<u>1.79%</u>
Deferred Inflows of Resources - Related to Pensions	<u>1,066,986</u>	<u>2,481,642</u>	<u>(1,414,656)</u>	<u>-57.00%</u>
Net Position:				
Net Investment in Capital Assets	25,629,376	27,573,679	(1,944,303)	-7.05%
Restricted	18,141,704	13,262,029	4,879,675	36.79%
Unrestricted (Deficit)	<u>(16,974,034)</u>	<u>(16,217,397)</u>	<u>(756,637)</u>	<u>4.67%</u>
Total Net Position	<u>\$ 26,797,046</u>	<u>\$ 24,618,311</u>	<u>\$ 2,178,735</u>	<u>8.85%</u>

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

<b>TABLE 2</b>				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,932,120	\$ 2,733,670	\$ (801,550)	-29.32%
Less: Net Pension Liability	(15,119,156)	(15,851,589)	732,433	4.62%
Less: Deferred Inflows Related to Pensions	<u>(1,066,986)</u>	<u>(2,481,642)</u>	<u>1,414,656</u>	<u>57.00%</u>
	<u>\$ (14,254,022)</u>	<u>\$ (15,599,561)</u>	<u>\$ 1,345,539</u>	<u>8.63%</u>

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2024 and 2023.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 2,311,298	\$ 1,954,612	\$ 356,686	18.25%
Operating Grants and Contributions	19,158,967	20,316,622	(1,157,655)	-5.70%
General Revenues:				
Property Taxes	36,534,936	35,825,572	709,364	1.98%
Federal and State Aid	29,187,089	28,686,553	500,536	1.74%
Other	701,187	528,390	172,797	32.70%
Total Revenues	<u>87,893,476</u>	<u>87,311,749</u>	<u>581,728</u>	<u>0.67%</u>
<b>Expenses:</b>				
Instruction:				
Regular	16,914,649	17,372,687	(458,037)	-2.64%
Special Education	12,334,590	12,927,161	(592,571)	-4.58%
Other Special Instruction	2,197,481	2,716,459	(518,978)	-19.10%
Other Instruction	89,507	91,937	(2,430)	-2.64%
Tuition	2,254,829	1,727,649	527,180	30.51%
Student Services:				
Student and Instruction Related	8,220,359	9,001,876	(781,518)	-8.68%
School Administrative Services	2,589,421	2,114,583	474,839	22.46%
Other Administrative Services	1,987,768	1,990,802	(3,035)	-0.15%
Plant Operations and Maintenance	6,495,232	5,334,059	1,161,173	21.77%
Pupil Transportation	5,029,693	5,669,471	(639,778)	-11.28%
Unallocated Benefits	21,502,579	21,028,981	473,598	2.25%
Reimbursed TPAF Pension and Social Security	2,095,292	2,142,251	(46,959)	-2.19%
Transfer to Charter Schools	708,328	856,903	(148,575)	-17.34%
Interest on Long-Term Debt	1,803	9,830	(8,028)	-81.66%
Unallocated Depreciation and Amortization	3,053	4,043	-990	-24.49%
Food Service	2,546,958	2,763,469	(216,510)	-7.83%
Childcare Program	693,022	891,366	(198,344)	-22.25%
Gifted and Talented Consortium	24,071	26,415	(2,344)	-8.87%
Community Education	26,107	32,738	(6,631)	-20.26%
Total Expenses	<u>85,714,741</u>	<u>86,702,681</u>	<u>(987,940)</u>	<u>-1.14%</u>
Increase (Decrease) in Net Position	2,178,735	609,068	1,569,667	257.72%
Beginning Net Position, As Restated	<u>24,618,311</u>	<u>24,009,243</u>	<u>609,068</u>	<u>2.54%</u>
Ending Net Position	<u>\$ 26,797,046</u>	<u>\$ 24,618,311</u>	<u>\$ 2,178,735</u>	<u>8.85%</u>

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2023-2024, Governmental Activities Revenues were \$84,804,493 or 96.49% of total revenues.

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

The \$726,165 increase in Governmental Activities Revenues from FY 2022-2023 to FY 2023-2024 was mainly related to the revenues associated with GASB 75.

In 2023-2024, General Revenues - Property Taxes of \$36,534,936 made up 41.57%, and General Revenues – Federal and State Aid of \$29,187,089 made up 33.21% of total revenues.

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

In 2023-2024, the School District's Governmental Activities expenditures decreased by \$564,111 or .68%. This decrease was mainly the result of Unallocated Benefits increasing due GASB 68 & 75 reported expenses.

**Business-Type Activities**

In 2023-2024 Business-Type Activities Revenues were \$3,088,983 or 3.51% of total revenues. In 2022-2023 Business-Type Activities Revenues were \$3,233,420 or 3.70% of total revenues.

Charges for Services for Business-Type Activities were \$1,176,802 in 2023-2024 compared to \$1,279,330 in 2022-2023, a 8.01% decrease.

Expenses for Business-Type Activities were \$3,290,159 in 2023-2024 compared to \$3,713,898 in 2022-2023, a 11.41% decrease.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$65,541,552.

The General Fund Tax Levy was \$36,427,008 for 2023-2024 and \$35,712,752 for 2022-2023.

During fiscal year 2024, the School District budgeted \$36,427,008 for property taxes (local tax levy), \$28,237,176 for state revenues and \$176,869 for federal revenues.

The School District also received \$2,091,549 and \$13,545,878 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions, respectively. The Township of Galloway School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions of \$2,091,549 and \$13,545,878, respectively.

The final budgetary basis expenditure appropriation estimate was \$70,487,925, equals the original budget.

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

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

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$17,800,851, an increase of \$3,150,187 in comparison with the prior year.

Of the combined ending fund balances of \$17,800,851, (\$791,627) constitutes unassigned fund balance. The remainder of fund balance of \$18,592,478 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$994,446 in unrestricted net position.

**CAPITAL ASSETS**

The Township of Galloway School District's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$26,091,678 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, leases and furniture, fixtures and equipment. There was a net decrease in the Township of Galloway School District's investment in capital assets for the current fiscal year of 6.52%. The net decrease was the result of depreciation in excess of additions. Table 4 reflects the capital assets.

**TABLE 4**  
Capital Assets

Capital Assets (Net of Depreciation and Amortization):	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Land	\$ 3,456,704	\$ 3,471,769
Construction in Progress	1,805,329	3,500,424
Land Improvements	250,514	287,838
Building and Improvements	19,166,576	19,332,743
Leases - Copiers	462,301	374,042
Furniture, Fixtures and Equipment	<u>950,253</u>	<u>945,539</u>
Total Capital Assets	<u>\$ 26,091,678</u>	<u>\$ 27,912,355</u>

Depreciation and amortization expense was \$2,615,184 for fiscal year ended 2024 and \$2,331,405 for fiscal year ended 2023.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the Township of Galloway School District had no bonded debt outstanding.

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2023-2024 school year, the Township of Galloway School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 41.57% of total revenue is from local tax levy and 33.21% percent of the Township of Galloway School District's revenue is from general revenue - federal and state aid (restricted and not restricted).

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## BASIC FINANCIAL STATEMENTS



# GOVERNMENT-WIDE FINANCIAL STATEMENTS

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 11,534,198.35	\$ 1,573,138.86	\$ 13,107,337.21
Receivables (Note 4)	3,380,340.44	314,017.08	3,694,357.52
Restricted Cash and Cash Equivalents	4,531,229.97		4,531,229.97
Inventory (Note 5)		22,904.74	22,904.74
Capital Assets, net (Note 6)	25,555,131.55	536,546.00	26,091,677.55
Total Assets	45,000,900.31	2,446,606.68	47,447,506.99
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,932,120.00	-	1,932,120.00
LIABILITIES:			
Accounts Payable:			
Related to Pensions	1,469,443.00		1,469,443.00
Other	1,757,696.50	36,160.89	1,793,857.39
Internal Balances	(719,876.02)	719,876.02	
Payable to Other Governments	60,318.00		60,318.00
Accrued Interest	2,653.53		2,653.53
Unearned Revenue	546,779.02	13,941.65	560,720.67
Noncurrent Liabilities (Note 7):			
Due within One Year	542,567.90	29,127.28	571,695.18
Due beyond One Year	16,940,397.81	116,509.12	17,056,906.93
Total Liabilities	20,599,979.74	915,614.96	21,515,594.70
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,066,986.00	-	1,066,986.00
NET POSITION:			
Net Investment in Capital Assets	25,092,830.18	536,546.00	25,629,376.18
Restricted for:			
Unemployment Compensation	323,393.61		323,393.61
Student Activities	130,710.08		130,710.08
Capital Projects	8,577,455.82		8,577,455.82
Other Purposes	9,110,144.82		9,110,144.82
Unrestricted (Deficit)	(17,968,479.94)	994,445.72	(16,974,034.22)
Total Net Position	\$ 25,266,054.57	\$ 1,530,991.72	\$ 26,797,046.29

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,914,649.35	\$ 656,072.02			\$ (16,258,577.33)		\$ (16,258,577.33)
Special Education	12,334,589.96	478,424.30	\$ 3,150,899.22		(8,705,266.44)		(8,705,266.44)
Other Special Instruction	2,197,480.83				(2,197,480.83)		(2,197,480.83)
Other Instruction	89,507.03				(89,507.03)		(89,507.03)
Tuition	2,254,828.64		665,693.00		(1,589,135.64)		(1,589,135.64)
Support Services:							
Student and Instruction Related Services	8,220,358.51		2,208,973.94		(6,011,384.57)		(6,011,384.57)
School Administrative Services	2,589,421.44				(2,589,421.44)		(2,589,421.44)
Other Administrative Services	1,987,767.93				(1,987,767.93)		(1,987,767.93)
Plant Operations and Maintenance	6,495,231.80		133,184.30		(6,362,047.50)		(6,362,047.50)
Pupil Transportation	5,029,693.07		91,800.00		(4,937,893.07)		(4,937,893.07)
Unallocated Benefits	21,502,578.65		8,942,217.75		(12,560,360.90)		(12,560,360.90)
Reimbursed TPAF and Social Security	2,095,291.91		2,095,291.91				
Transfer to Charter School	708,328.00				(708,328.00)		(708,328.00)
Interest on Long-Term Debt	1,802.54		3,133.41		1,330.87		1,330.87
Unallocated Depreciation and Amortization	3,052.62				(3,052.62)		(3,052.62)
Total Governmental Activities	82,424,582.28	1,134,496.32	17,291,193.53	-	(63,998,892.43)	-	(63,998,892.43)
Business-Type Activities:							
Food Service	2,546,958.48	435,265.31	1,867,773.51			\$ (243,919.66)	(243,919.66)
Childcare Program	693,022.47	693,122.00				99.53	99.53
Gifted and Talented Consortium	24,070.98	22,852.50				(1,218.48)	(1,218.48)
Community Education	26,106.79	25,561.69				(545.10)	(545.10)
Total Business-Type Activities	3,290,158.72	1,176,801.50	1,867,773.51	-	-	(245,583.71)	(245,583.71)
Total Government	\$ 85,714,741.00	\$ 2,311,297.82	\$ 19,158,967.04	-	(63,998,892.43)	(245,583.71)	(64,244,476.14)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					36,427,008.00		36,427,008.00
Taxes Levied for Debt Service					107,928.00		107,928.00
Federal and State Aid not Restricted					29,121,122.03		29,121,122.03
Federal and State Aid Restricted					65,966.59		65,966.59
Miscellaneous Income					656,778.62	44,408.37	701,186.99
Total General Revenues					66,378,803.24	44,408.37	66,423,211.61
Change in Net Position					2,379,910.81	(201,175.34)	2,178,735.47
Net Position -- July 1					22,886,143.76	1,732,167.06	24,618,310.82
Net Position -- June 30					\$ 25,266,054.57	\$ 1,530,991.72	\$ 26,797,046.29

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

## FUND FINANCIAL STATEMENTS

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 11,534,198.35	\$ 130,710.08	\$ 4,400,519.22	\$ 0.67	\$ 16,065,428.32
Interfunds Receivable:					
Food Service Fund	315,837.72				315,837.72
Child Care	399,586.91				399,586.91
Gifted and Talented Consortium	5,295.88				5,295.88
Special Revenue Fund	897,476.80				897,476.80
Capital Projects Fund					
Receivables from Other Governments:					
State of NJ -- FICA	7,536.50				7,536.50
State of NJ -- Extraordinary Aid	1,222,644.00				1,222,644.00
State of NJ -- Non-Public Transportation	71,551.00				71,551.00
State of NJ -- Homeless Aid	39,432.00				39,432.00
State of NJ -- Lead Water Testing for Schools Aid		1,930.50			1,930.50
State of NJ -- Non-Public Home Instruction		1,380,604.93			1,380,604.93
Federal Grants					
Other Receivables	560,787.23	95,854.28			656,641.51
<b>Total Assets</b>	<b>\$ 15,054,346.39</b>	<b>\$ 1,609,099.79</b>	<b>\$ 4,400,519.22</b>	<b>\$ 0.67</b>	<b>\$ 21,063,966.07</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable					
Other	\$ 815,627.71	\$ 195,381.31			\$ 1,011,009.02
Unemployment Compensation Claims Payable	7,482.94				7,482.94
Payroll Deductions and Withholdings Payable	739,204.54				739,204.54
Interfunds Payable:					
Community Education Fund	844.49				844.49
General Fund		897,476.80			897,476.80
Payable to State Government		60,318.00			60,318.00
Unearned Revenue		546,779.02			546,779.02
<b>Total Liabilities</b>	<b>1,563,159.68</b>	<b>1,699,955.13</b>	<b>-</b>	<b>-</b>	<b>3,263,114.81</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	4,176,936.60				4,176,936.60
Maintenance Reserve	2,617,704.92				2,617,704.92
Maintenance Reserve - Designated for					
Subsequent Year's Expenditures	387,500.00				387,500.00
Emergency Reserve	669,999.16				669,999.16
Excess Surplus	2,671,693.66				2,671,693.66
Excess Surplus -- Designated for					
Subsequent Year's Expenditures	2,763,247.08				2,763,247.08
Unemployment Compensation	323,393.61				323,393.61
Student Activities		130,710.08			130,710.08
Capital Projects - Designated for					
Subsequent Year's Expenditures			\$ 4,400,519.22		4,400,519.22
Debt Service				\$ 0.67	0.67
<b>Assigned:</b>					
Other Purposes	121,661.76				121,661.76
Subsequent Year's Expenditures	329,111.92				329,111.92
Unassigned (Deficit)	(570,062.00)	(221,565.42)			(791,627.42)
<b>Total Fund Balances</b>	<b>13,491,186.71</b>	<b>(90,855.34)</b>	<b>4,400,519.22</b>	<b>0.67</b>	<b>17,800,851.26</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,054,346.39</b>	<b>\$ 1,609,099.79</b>	<b>\$ 4,400,519.22</b>	<b>\$ 0.67</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in funds. The cost of the assets is \$74,079,526.38 and the accumulated depreciation and amortization is \$48,519,207.61.	25,555,131.55
Long-term liabilities, including bonds payable and net pension liability, lease liability, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(17,482,965.71)
Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,653.53)
Accounts Payable related to the April 1, 2025 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,469,443.00)
Deferred Outflows of Resources - Related to Pensions	1,932,120.00
Deferred Inflows of Resources - Related to Pensions	(1,066,986.00)
<b>Net position of governmental activities</b>	<b>\$ 25,266,054.57</b>

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 36,427,008.00			\$ 107,928.00	\$ 36,534,936.00
Tuition Charges	1,134,496.32				1,134,496.32
Miscellaneous	656,778.62	\$ 154,238.02			811,016.64
State Sources	44,541,486.75	3,590,211.90		69,100.00	48,200,798.65
Federal Sources	217,062.19	3,462,938.29			3,680,000.48
<b>Total Revenues</b>	<b>82,976,831.88</b>	<b>7,207,388.21</b>	<b>-</b>	<b>177,028.00</b>	<b>90,361,248.09</b>
<b>EXPENDITURES:</b>					
Regular Instruction	15,955,496.87				15,955,496.87
Special Education Instruction	8,177,486.66	3,457,665.05			11,635,151.71
Other Special Instruction	2,197,480.83				2,197,480.83
Other Instruction	89,507.03				89,507.03
Tuition	1,589,135.64	665,693.00			2,254,828.64
Support Services and Undistributed Costs:					
Student and Instruction Related Services	6,247,292.89	2,268,034.57			8,515,327.46
School Administrative Services	2,015,906.23				2,015,906.23
Other Administrative Services	2,008,334.93				2,008,334.93
Plant Operations and Maintenance	6,064,970.83	133,184.30			6,198,155.13
Pupil Transportation	4,937,893.07	91,800.00			5,029,693.07
Unallocated Benefits	13,831,558.90	956,837.75			14,788,396.65
Reimbursed TPAF Pension and Social Security	15,637,426.91				15,637,426.91
Transfer to Charter School	708,328.00				708,328.00
Debt Service:					
Principal				169,000.00	169,000.00
Interest and Other Charges				8,027.50	8,027.50
<b>Total Expenditures</b>	<b>79,460,818.79</b>	<b>7,573,214.67</b>	<b>-</b>	<b>177,027.50</b>	<b>87,211,060.96</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>3,516,013.09</b>	<b>(365,826.46)</b>	<b>-</b>	<b>0.50</b>	<b>3,150,187.13</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfer -- Capital Reserve to Capital Projects Fund	(4,400,000.00)		\$ 4,400,000.00		
Local Contribution -- Transfer to Special Revenue Fund	(442,866.00)	442,866.00			
<b>Total Other Financing Sources and Uses</b>	<b>(4,842,866.00)</b>	<b>442,866.00</b>	<b>4,400,000.00</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,326,852.91)</b>	<b>77,039.54</b>	<b>4,400,000.00</b>	<b>0.50</b>	<b>3,150,187.13</b>
<b>Fund Balance -- July 1</b>	<b>14,818,039.62</b>	<b>(167,894.88)</b>	<b>519.22</b>	<b>0.17</b>	<b>14,650,664.13</b>
<b>Fund Balance (Deficit) -- June 30</b>	<b>\$ 13,491,186.71</b>	<b>\$ (90,855.34)</b>	<b>\$ 4,400,519.22</b>	<b>\$ 0.67</b>	<b>\$ 17,800,851.26</b>

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ 3,150,187.13
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the period.	
Depreciation and Amortization Expense	\$ (2,559,338.46)
Capital Outlays	<u>-</u>
	(2,559,338.46)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	169,000.00
Repayment of financed purchase lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	20,567.00
Repayment of lease liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	301,451.21
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest adjustment is a reduction in the reconciliation. (+)	2,653.53
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	
Amortization of Bond Premiums	3,571.43
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	20,620.97
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.	<u>1,271,198.00</u>
Change in Net Position of Governmental Activities	<u>\$ 2,379,910.81</u>

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Net Position  
June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 530,698.77	\$ 918,632.73	\$ 74,523.97	\$ 49,283.39	\$ 1,573,138.86
Accounts Receivable:					
Federal	288,963.40				288,963.40
State	11,836.41				11,836.41
Other	7,874.28	5,342.99			13,217.27
Interfund Accounts Receivable:					
Due General Fund				844.49	844.49
Inventories	22,904.74				22,904.74
Total Current Assets	<u>862,277.60</u>	<u>923,975.72</u>	<u>74,523.97</u>	<u>50,127.88</u>	<u>1,910,905.17</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	954,183.49	325,992.31		10,944.94	1,291,120.74
Less Accumulated Depreciation	<u>(717,202.88)</u>	<u>(37,311.05)</u>		<u>(60.81)</u>	<u>(754,574.74)</u>
Total Noncurrent Assets	<u>236,980.61</u>	<u>288,681.26</u>	<u>-</u>	<u>10,884.13</u>	<u>536,546.00</u>
Total Assets	<u>1,099,258.21</u>	<u>1,212,656.98</u>	<u>74,523.97</u>	<u>61,012.01</u>	<u>2,447,451.17</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	315,837.72	399,586.91	5,295.88		720,720.51
Compensated Absences	29,127.28				29,127.28
Accounts Payable	21,165.46	3,310.49			24,475.95
Unearned Revenue	13,941.65				13,941.65
Total Current Liabilities	<u>380,072.11</u>	<u>402,897.40</u>	<u>5,295.88</u>	<u>11,684.94</u>	<u>799,950.33</u>
Noncurrent Liabilities:					
Compensated Absences	116,509.12	-	-	-	116,509.12
Total Liabilities	<u>496,581.23</u>	<u>402,897.40</u>	<u>5,295.88</u>	<u>11,684.94</u>	<u>916,459.45</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	236,980.61	288,681.26		10,884.13	536,546.00
Unrestricted	365,696.37	521,078.32	69,228.09	38,442.94	994,445.72
Total Net Position	<u>\$ 602,676.98</u>	<u>\$ 809,759.58</u>	<u>\$ 69,228.09</u>	<u>\$ 49,327.07</u>	<u>\$ 1,530,991.72</u>

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



**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>					
Charges for Services:					
Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 356,464.50				\$ 356,464.50
Daily Sales - Non-Reimbursable Programs	78,800.81				78,800.81
Community Service Activities		\$ 693,122.00	\$ 22,852.50	\$ 25,561.69	741,536.19
Total Operating Revenues	435,265.31	693,122.00	22,852.50	25,561.69	1,176,801.50
<b>OPERATING EXPENSES:</b>					
Salaries	1,050,585.63	449,225.22	20,160.25	20,990.03	1,540,961.13
Employee Benefits	291,239.72	39,748.21	1,542.27	1,605.74	334,135.94
Purchased Property Services	42,451.06	75,000.00			117,451.06
Purchased Professional and Technical Services		20,574.64			20,574.64
General Supplies	96,206.50	70,287.50	2,368.46	3,450.21	172,312.67
Depreciation	34,755.42	21,029.58		60.81	55,845.81
Cost of Sales - Reimbursable Programs	941,558.64				941,558.64
Cost of Sales - Non-Reimbursable Programs	89,223.00				89,223.00
Miscellaneous	938.51	17,157.32			18,095.83
Total Operating Expenses	2,546,958.48	693,022.47	24,070.98	26,106.79	3,290,158.72
Operating Income / (Loss)	(2,111,693.17)	99.53	(1,218.48)	(545.10)	(2,113,357.22)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
State Sources:					
State School Lunch Program	35,984.62				35,984.62
State School Breakfast Program	7,003.80				7,003.80
State After Bell Program	4,385.00				4,385.00
State Support for Summer Food Service Program	412.90				412.90
State NJEIE Lunch	11,692.45				11,692.45
State NJEIE Breakfast	3,804.65				3,804.65
Federal Sources:					
National School Breakfast Program	507,489.73				507,489.73
National School Lunch Program	1,048,699.70				1,048,699.70
After School Snack Program	33,855.12				33,855.12
Food Distribution Program	121,304.95				121,304.95
Supply Chain Assistance Funding	75,801.91				75,801.91
Summer Food Service Program for Children	12,785.11				12,785.11
Summer Food Service Program for Children - Admin	1,297.57				1,297.57
P-EBT Admin Cost Reimb	3,256.00				3,256.00
Interest Revenue	19,703.82	22,095.24	1,852.33	756.98	44,408.37
Total Nonoperating Revenues (Expenses)	1,887,477.33	22,095.24	1,852.33	756.98	1,912,181.88
Change in Net Position	(224,215.84)	22,194.77	633.85	211.88	(201,175.34)
Net Position -- July 1	826,892.82	787,564.81	68,594.24	49,115.19	1,732,167.06
Net Position -- June 30	\$ 602,676.98	\$ 809,759.58	\$ 69,228.09	\$ 49,327.07	\$ 1,530,991.72

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from Customers	\$ 444,041.95	\$ 696,424.00	\$ 22,852.50	\$ 25,561.69	\$ 1,188,880.14
Payments to Employees	(1,056,211.15)	(449,225.22)	(20,160.25)	(20,990.03)	(1,546,586.65)
Payments for Employee Benefits	(291,239.72)	(39,748.21)	(1,542.27)	(1,605.74)	(334,135.94)
Payments to Suppliers	(1,155,039.83)	(276,510.07)	(2,368.46)	(2,710.21)	(1,436,628.57)
Net Cash Provided by (used for) Operating Activities	(2,058,448.75)	(69,059.50)	(1,218.48)	255.71	(2,128,471.02)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
State Sources	54,641.54				54,641.54
Federal Sources	1,623,303.81				1,623,303.81
Operating Subsidies and Transfers to Other Funds		75,000.00		10,944.94	85,944.94
Net Cash Provided by (used for) Non-Capital Financing Activities	1,677,945.35	75,000.00	-	10,944.94	1,763,890.29
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchases of Capital Assets	(98,640.97)	(81,770.24)		(10,944.94)	(191,356.15)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Revenue	19,703.82	22,095.24	1,852.33	756.98	44,408.37
Net Increase (Decrease) in Cash and Cash Equivalents	(459,440.55)	(53,734.50)	633.85	1,012.69	(511,528.51)
Cash and Cash Equivalents -- July 1	990,139.32	972,367.23	73,890.12	48,270.70	2,084,667.37
Cash and Cash Equivalents -- June 30	<u>\$ 530,698.77</u>	<u>\$ 918,632.73</u>	<u>\$ 74,523.97</u>	<u>\$ 49,283.39</u>	<u>\$ 1,573,138.86</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>					
by Operating Activities:					
Operating Income (Loss)	\$ (2,111,693.17)	\$ 99.53	\$ (1,218.48)	\$ (545.10)	\$ (2,113,357.22)
Adjustments to Reconcile Operating Income (Loss) to Net Cash					
Provided by (used for) Operating Activities:					
Depreciation	34,755.42	21,029.58		60.81	55,845.81
(Increase) Decrease in Accounts Receivable, net	16,016.17	3,302.00			19,318.17
(Increase) Decrease in Inventories	756.26				756.26
Increase (Decrease) in Accounts Payable	21,165.46	(93,490.61)		740.00	(71,585.15)
Increase (Decrease) in Unearned Revenue	(7,239.53)				(7,239.53)
Increase (Decrease) in Interfund Payable	(6,583.84)				(6,583.84)
Increase (Decrease) in Compensated Absences	(5,625.52)				(5,625.52)
Total Adjustments	53,244.42	(69,159.03)	-	800.81	(15,113.80)
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,058,448.75)</u>	<u>\$ (69,059.50)</u>	<u>\$ (1,218.48)</u>	<u>\$ 255.71</u>	<u>\$ (2,128,471.02)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Food Distribution Program	<u>\$ 121,304.95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 121,304.95</u>

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2024

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Galloway, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through eight at its six schools. The School District has an approximate enrollment at June 30, 2024, of 3,247.

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

**Component Units**

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

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

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

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

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

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

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

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

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

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

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

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

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

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

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

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

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

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

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

**Encumbrances**

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

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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



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

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2024.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The School District had no prepaid expenses for the fiscal year ended June 30, 2024.

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

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

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

The School District does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2024, and 2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account. As of June 30, 2024, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Bond Discounts / Premiums**

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

**Net Position**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

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

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

The GASB has issued the following Statement that will become effective for the School District for fiscal year ending June 30, 2025:

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2024, the School District's bank balances of \$20,311,155.16 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 19,711,294.58
Uninsured and uncollateralized	599,860.58
	<hr/>
Total	<u>\$ 20,311,155.16</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2023, to June 30, 2024, fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 4,783,643.10
Increased by:	
Transfer per June Resolution (June 17, 2024)	\$ 3,700,000.00
Interest Earnings	93,293.50
	<u>3,793,293.50</u>
	8,576,936.60
Decreased by:	
Withdrawals - Transfer to Capital Projects Fund	<u>4,400,000.00</u>
Ending Balance, June 30, 2024	<u>\$ 4,176,936.60</u>

The June 30, 2024, LRFP balance of local support costs of uncompleted projects at June 30, 2024, is \$4,783,728.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2024, consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Description	Governmental Funds			Proprietary Funds			Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Child Care Fund	Total Business-Type Activities	
Federal Awards		\$ 1,380,604.93	\$ 1,380,604.93	\$ 288,963.40		\$ 288,963.40	\$ 1,669,568.33
State Awards	\$ 1,340,983.50	1,930.50	1,342,914.00	11,836.41		11,836.41	1,354,750.41
Other	560,787.23	95,854.28	656,641.51	7,874.28	\$ 5,342.99	13,217.27	669,858.78
	<u>\$ 1,901,770.73</u>	<u>\$ 1,478,389.71</u>	<u>\$ 3,380,160.44</u>	<u>\$ 308,674.09</u>	<u>\$ 5,342.99</u>	<u>\$ 314,017.08</u>	<u>\$ 3,694,177.52</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2024, in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	14,020.49
Supplies	<u>8,884.25</u>
	<u>\$ 22,904.74</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

	<u>Balance July 01, 2023</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2024</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 3,456,704.31		\$ (0.45)	\$ 3,456,703.86
Construction in Progress	3,500,424.19		(1,695,095.19)	1,805,329.00
Total Capital Assets, not being Depreciated	<u>6,957,128.50</u>	<u>-</u>	<u>(1,695,095.64)</u>	<u>5,262,032.86</u>
Capital Assets, being Depreciated				
Furniture, Fixtures and Equipment	2,767,580.07		5,800.00	2,773,380.07
Buildings and Improvements	63,089,013.20		1,689,295.64	64,778,308.84
Land Improvements	642,401.99			642,401.99
Total Capital Assets, being Depreciated	<u>66,498,995.26</u>	<u>-</u>	<u>1,695,095.64</u>	<u>68,194,090.90</u>
Total Capital Assets, Cost	<u>73,456,123.76</u>	<u>-</u>	<u>-</u>	<u>73,456,123.76</u>
Less Accumulated Depreciation:				
Furniture, Fixtures and Equipment	(2,223,076.54)	\$ (136,596.62)	0.01	(2,359,673.15)
Buildings and Improvements	(43,756,270.01)	(1,855,462.61)		(45,611,732.62)
Land Improvements	(354,564.19)	(37,323.63)	0.01	(391,887.81)
Total Accumulated Depreciation	<u>(46,333,910.74)</u>	<u>(2,029,382.86)</u>	<u>0.02</u>	<u>(48,363,293.58)</u>
Total Capital Assets, being Depreciated, Net Excluding Lease Assets	<u>20,165,084.52</u>	<u>(2,029,382.86)</u>	<u>1,695,095.66</u>	<u>19,830,797.32</u>
Total Capital Assets, Net Excluding Lease Assets	<u>27,122,213.02</u>	<u>(2,029,382.86)</u>	<u>0.02</u>	<u>25,092,830.18</u>
Lease Assets:				
Equipment	623,402.62	618,215.40	(623,402.62)	618,215.40
Less Accumulated Amortization:				
Lease Assets:				
Equipment	(249,361.03)	(529,955.60)	623,402.60	(155,914.03)
Total Lease Assets, net	<u>374,041.59</u>	<u>88,259.80</u>	<u>(0.02)</u>	<u>462,301.37</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,496,254.61</u>	<u>\$ (1,941,123.06)</u>	<u>-</u>	<u>\$ 25,555,131.55</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

	<u>Balance July 01, 2023</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2024</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 1,099,764.59	\$ 191,356.15		\$ 1,291,120.74
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	<u>(698,728.93)</u>	<u>(55,845.81)</u>		<u>(754,574.74)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 401,035.66</u>	<u>\$ 135,510.34</u>	<u>-</u>	<u>\$ 536,546.00</u>

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

**Governmental Activities:**

Instruction	\$ 1,679,211.70
Support Service Instructional Staff	6,482.26
School Administration	573,515.21
Plant Operations and Maintenance	297,076.67
Unallocated	<u>3,052.62</u>

Total Depreciation and Amortization Expense -  
Governmental Activities

\$ 2,559,338.46

**Business-Type Activities:**

Food Service Fund	\$ 34,755.42
Childcare Fund	21,029.58
Community Education Fund	<u>60.81</u>

Total Depreciation Expense -  
Business Activities

\$ 55,845.81



**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for governmental activities:

<b>Governmental Activities:</b>	<b>Balance July 01, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2024</b>	<b>Due within One Year</b>
Bonds Payable:					
General Obligation Bonds	\$ 169,000.00		\$ (169,000.00)		
Adjusted by:					
Bond Premiums	3,571.43		(3,571.43)		
Total Bonds Payable	172,571.43	-	(172,571.43)	-	-
Other Liabilities:					
Net Pension Liability	15,851,589.00	\$ 3,068,224.00	(3,800,657.00)	\$ 15,119,156.00	
Financed Purchases	20,567.00		(20,567.00)		
Compensated Absences	1,939,847.47	349,630.36	(387,969.49)	1,901,508.34	\$ 380,301.67
Total Other Liabilities	17,812,003.47	3,417,854.36	(4,209,193.49)	17,020,664.34	380,301.67
Lease and Subscription Liabilities:					
Lease Liabilities:					
Equipment	145,537.18	618,215.40	(301,451.21)	462,301.37	162,266.23
Governmental Activities Long-Term Liabilities	\$ 18,130,112.08	\$ 4,036,069.76	\$ (4,683,216.13)	\$ 17,482,965.71	\$ 542,567.90

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

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for business-type activities:

<b>Business-Type Activities:</b>	<b>Balance July 01, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2024</b>	<b>Due within One Year</b>
Other Liabilities:					
Compensated Absences	\$ 151,261.92	\$ 30,252.38	\$ (35,877.90)	\$ 145,636.40	\$ 29,127.28

Compensated absences are liquidated by the food service enterprise fund.

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

On July 1, 2009, the School District issued \$2,366,000.00 of School Bonds at interest rates varying from 4.625% to 4.75% to fund the cost of various capital improvements. The final maturity of these bonds was March 1, 2024.

**Bonds Authorized but not Issued** - As of June 30, 2024, the School District had no authorizations to issue additional bonded debt.

**Financed Purchases** - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis. At June 30, 2024, the School District had no balance for financed purchases outstanding.

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

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

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

**Lease Liabilities** - The School District's payments on lease liabilities are budgeted and paid from the general fund on an annual basis. The School District leased copiers and printers for their administrative functions. The leased assets began on January 1, 2022 for a term of 63 months. The implied interest rate is based on the School District's estimated incremental borrowing rate of 3.30%.

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

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2025	\$ 162,266.23	\$ 15,538.61	\$ 177,804.84
2026	168,877.18	8,927.66	177,804.84
2027	<u>131,157.96</u>	<u>2,195.67</u>	<u>133,353.63</u>
Total	<u>\$ 462,301.37</u>	<u>\$ 26,661.94</u>	<u>\$ 488,963.31</u>

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

**Note 8: PENSION PLANS**

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

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

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

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

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

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

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

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

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

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

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

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

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

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

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 35.45% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2024, because of the 100.00% special funding situation with the State of New Jersey.

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

**Teachers' Pension and Annuity Fund (Cont'd)** - Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024, was \$10,234,865.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2024, were \$2,176,202.87.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 18.35% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024, was \$1,395,101.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$611,091.32.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2024, was .59% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024, was \$47,151.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the year ended June 30, 2023, was \$33,352.

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

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

For the fiscal year ended June 30, 2024, employee contributions totaled \$49,428.74, and the School District recognized pension expense, which equaled the required contributions, of \$36,398.03. There were no forfeitures during the fiscal year.

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

**Pension Liability** - At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	125,356,134.00
	<u>\$ 125,356,134.00</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023, measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2023 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .2456389889%, which was a decrease of .0015830621% from its proportion measured as of June 30, 2022.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2023, measurement date, was \$3,079,635.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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

**Pension Liability** - At June 30, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$15,119,15.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023, measurement date, the School District's proportion was .1043825325%, which was a decrease of .0006548631% from its proportion measured as of June 30, 2022.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2024, the School District recognized pension (benefit) expense of \$123,905.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023, measurement date.

For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2023, measurement date, was \$47,151.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

**Deferred Outflows and Inflows of Resources** - At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows Resources</u></b>
Differences between Expected and Actual Experience	\$ 144,559.00	\$ 61,802.00
Changes of Assumptions	33,214.00	916,286.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	69,626.00	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	215,278.00	88,898.00
Contributions Subsequent to the Measurement Date	1,469,443.00	-
	<u>\$ 1,932,120.00</u>	<u>\$ 1,066,986.00</u>

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

Deferred outflows of resources in the amount of \$1,469,443.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	
2025	\$ (702,943.00)
2026	(402,989.00)
2027	633,206.00
2028	(131,757.00)
2029	174.00
	<u>\$ (604,309.00)</u>

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08



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

The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2022. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2023, measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2023 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>TPAF</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	147,817,630.00	125,356,134.00	106,438,216.00
	<u>\$ 147,817,630.00</u>	<u>\$ 125,356,134.00</u>	<u>\$ 106,438,216.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2023, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ 19,681,925.00	\$ 15,119,156.00	\$ 11,235,637.00

**Pension Plan Fiduciary Net Position**

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

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

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

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

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

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

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

**Employees Covered by Benefit Terms** - At June 30, 2023, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>369,595</u>

**Total Non-Employer OPEB Liability**

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2024, was \$143,459,361.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. For the June 30, 2023, measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .2739778273%, which was an increase of .0028237981% from its proportion measured as of June 30, 2022.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

\* based on service years

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

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

**Experience Studies** - The actuarial assumptions used in the June 30, 2022, valuation, which was rolled forward to June 30, 2023, were based on the results of actuarial experience studies for the periods July 1, 2018, to June 30, 2021, for TPAF, PERS, and PFRS.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate** - The discount rate for June 30, 2023, measurement date was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability**

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

Balance at June 30, 2023		\$ 137,329,925.00
Changes for the Year:		
Service Cost	\$ 5,636,154.00	
Interest Cost	5,052,463.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	(1,039,336.00)	
Changes in Assumptions	289,155.00	
Member Contributions	129,477.00	
Gross Benefit Payments	(3,938,477.00)	
Net Changes		<u>6,129,436.00</u>
Balance at June 30, 2024		<u>\$ 143,459,361.00</u>

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

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2022, to June 30, 2023, due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2022, to June 30, 2023, due to the combined effect of the discount rate change, and changes in the trend update.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 168,181,472.00</u>	<u>\$ 143,459,361.00</u>	<u>\$ 123,610,376.00</u>

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 119,093,387.00</u>	<u>\$ 143,459,361.00</u>	<u>\$ 175,342,301.00</u>

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

**OPEB Expense** - For the fiscal year ended June 30, 2024, the School District recognized \$4,905,745.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2023, measurement date.

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

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2024, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between Expected and Actual Experience	\$ 20,931,132.00	\$ 37,785,765.00
Changes of Assumptions	20,400,102.00	39,589,655.00
Changes in Proportion	<u>8,910,473.00</u>	<u>503,682.00</u>
	<u><u>\$ 50,241,707.00</u></u>	<u><u>\$ 77,879,102.00</u></u>

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

<b><u>Fiscal Year Ending June 30,</u></b>	
2025	\$ (5,779,713.00)
2026	(5,779,713.00)
2027	(4,836,815.00)
2028	(2,408,550.00)
2029	447,114.00
Thereafter	<u>(9,279,718.00)</u>
	<u><u>\$ (27,637,395.00)</u></u>

**Note 10: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$10,524,934.00, \$120,031.00, \$2,897,170.00, and \$3,743.00, respectively.



**Note 11: RISK MANAGEMENT**

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

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

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

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

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
					<u>Claims</u> <u>Liability</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2024	-	\$ 77,056.63	\$ 7,350.67	\$ 74,960.90	\$ 7,482.94	\$ 323,393.61
2023	-	79,801.27	4,819.30	75,506.50	135,714.31	185,715.84
2022	-	66,812.96	405.12	916.38	131,419.54	180,896.54

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

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

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

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

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

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

**Note 12: DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
Equitable  
Siracusa  
AIG / VALIC

**Note 13: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2024, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,901,508.34 and \$145,636.40, respectively.

**Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2024, is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,618,197.31	\$ 844.49
Special Revenue		897,476.80
Enterprise Funds	844.49	720,720.51
	<u>\$ 1,619,041.80</u>	<u>\$ 1,619,041.80</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2025, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)****Transfers -**

<b><u>Transfer Out:</u></b>	<b>Transfer In:</b>	
	<b><u>Capital Projects Fund</u></b>	<b><u>Special Revenue Fund</u></b>
General Fund:		
Capital Reserve	\$ 4,400,000.00	
Preschool Education Aid		\$ 442,866.00
Total Transfers	<u>\$ 4,400,000.00</u>	<u>\$ 442,866.00</u>

The \$4,400,000.00 transfer from the general fund to the capital projects fund is to fund several capital projects and the \$442,866.00 transfer from the general fund to the special revenue fund is the local funding of the preschool education aid grant.

**Note 15: CONTINGENCIES**

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

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

**Note 16: CONCENTRATIONS**

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

**Note 17: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$570,062.00 in the general fund and \$221,565.42 in the special revenue fund as of June 30, 2024, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

**Note 17: DEFICIT FUND BALANCES (CONT'D)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$791,627.42 is less than the June state aid payments.

**Note 18: FUND BALANCES****RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024, is \$2,671,693.66. Additionally, \$2,763,247.08 of excess fund balance generated during 2022-2023 has been restricted and designated for utilization in the 2024-2025 budget.

**For Capital Reserve Account** - As of June 30, 2024, the balance in the capital reserve account is \$4,176,936.60. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2024, the balance in the maintenance reserve account is \$3,005,204.92. Of this amount, \$387,500.00 has been restricted and designated for utilization in the 2024-2025 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Emergency Reserve** - As of June 30, 2024, the balance in the emergency reserve is \$669,999.16. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**For Unemployment Compensation** - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2024, a restricted fund balance from employer contributions in the amount of \$323,393.61 for future unemployment claims.

**Note 18: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****Special Revenue Fund**

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024, is \$130,710.08.

**Capital Projects Fund** - The District authorized several projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2024, the restricted fund balance amount was \$4,400,519.22.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has \$0.67 of debt service fund balance at June 30, 2024.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025, \$329,111.92 of general fund balance at June 30, 2024.

**Other Purposes** - As of June 30, 2024, the School District had \$121,661.76 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2024, the general fund balance deficit of \$570,062.00 was unassigned.

**Special Revenue Fund** - As of June 30, 2024, the fund balance of the special revenue fund was a deficit of \$221,565.42, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$221,565.42 is less than the last state aid payment.

**Note 19: TAX ABATEMENTS**

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

The Township of Galloway has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$28,972,600.00. Based on the School District's 2024 certified tax rate of \$1.316, abated taxes totaled \$381,279.42.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

## BUDGETARY COMPARISON SCHEDULES



## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 36,427,007.00		\$ 36,427,007.00	\$ 36,427,008.00	\$ 1.00
Tuition from Other LEA's Within the State	475,000.00		475,000.00	1,134,496.32	659,496.32
Interest Earned on Emergency Reserve Funds	15.00		15.00	15,959.91	15,944.91
Interest Earned on Maintenance Reserve Funds	185.00		185.00	57,388.99	57,203.99
Interest Earned on Capital Reserve Funds	300.00		300.00	93,293.50	92,993.50
Unrestricted Miscellaneous Revenues	225,000.00		225,000.00	490,136.22	265,136.22
Total - Local Sources	37,127,507.00	-	37,127,507.00	38,218,282.94	1,090,775.94
State Sources:					
Categorical Transportation Aid	1,088,704.00		1,088,704.00	1,088,704.00	
Special Education Aid	3,138,580.00		3,138,580.00	3,138,580.00	
Family Crisis Transportation Aid				17,743.84	17,743.84
Equalization Aid	22,633,331.00		22,633,331.00	22,633,331.00	
Categorical Security Aid	801,561.00		801,561.00	801,561.00	
Extraordinary Aid	575,000.00		575,000.00	1,222,644.00	647,644.00
Non-Public Transportation Aid				71,551.00	71,551.00
Homeless Aid				39,432.00	39,432.00
On-behalf TPAF Pension Contributions (non-budgeted)				10,524,934.00	10,524,934.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				120,031.00	120,031.00
On-behalf TPAF Medical Contributions (non-budgeted)				2,897,170.00	2,897,170.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,743.00	3,743.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,091,548.91	2,091,548.91
Total - State Sources	28,237,176.00	-	28,237,176.00	44,650,973.75	16,413,797.75
Federal Sources:					
SEMI Medicaid Reimbursement	176,869.00		176,869.00	184,429.14	7,560.14
Total - Federal Sources	176,869.00	-	176,869.00	217,062.19	40,193.19
Total Revenues	65,541,552.00	-	65,541,552.00	83,086,318.88	17,544,766.88

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Local Contribution - Trans to Special Rev. - Inclusion	\$ 442,866.00		\$ 442,866.00		\$ 442,866.00
Kindergarten	1,230,425.00	\$ (14,055.05)	1,216,369.95	\$ 1,204,617.12	11,752.83
Grades 1-5	8,122,505.00	284,909.80	8,407,414.80	8,401,079.60	6,335.20
Grades 6-8	5,331,480.00	(221,677.13)	5,109,802.87	5,101,570.66	8,232.21
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	21,950.25	71,950.25	65,270.40	6,679.85
Purchased Professional - Educational Services	5,000.00		5,000.00	973.85	4,026.15
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	531,659.00	20,165.83	551,824.83	545,329.79	6,495.04
Purchased Professional - Educational Services	14,850.00		14,850.00	14,850.00	
Other Purchased Services	186,492.00	(160.41)	186,331.59	183,277.76	3,053.83
General Supplies	605,548.27	(134,913.41)	470,634.86	438,527.69	32,107.17
Total Regular Programs- Instruction	16,520,825.27	(41,780.12)	16,479,045.15	15,955,496.87	523,548.28
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	251,365.00	62,000.00	313,365.00	312,094.37	1,270.63
Other Salaries for Instruction	203,800.00	(42,491.00)	161,309.00	157,099.44	4,209.56
General Supplies	3,335.00		3,335.00	2,402.36	932.64
Total Learning and / or Language Disabilities	458,500.00	19,509.00	478,009.00	471,596.17	6,412.83
Auditory Impairments:					
Salaries of Teachers	91,828.00		91,828.00	91,828.00	
Other Salaries for Instruction	94,078.00	49,278.00	143,356.00	143,354.00	2.00
General Supplies	400.00		400.00	356.40	43.60
Total Auditory Impairments	186,306.00	49,278.00	235,584.00	235,538.40	45.60

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 208,925.00	\$ 4,556.60	\$ 213,481.60	\$ 213,481.60	
Other Salaries for Instruction	115,948.00	119,596.80	235,544.80	235,544.80	
General Supplies	2,775.00		2,775.00	1,969.72	\$ 805.28
Total Behavioral Disabilities	327,648.00	124,153.40	451,801.40	450,996.12	805.28
Multiple Disabilities:					
Salaries of Teachers	717,806.00	(48,257.82)	669,548.18	653,163.21	16,384.97
Other Salaries for Instruction	599,438.00	24,284.92	623,722.92	623,722.42	0.50
General Supplies	12,564.00	(0.07)	12,563.93	10,850.22	1,713.71
Total Multiple Disabilities	1,329,808.00	(23,972.97)	1,305,835.03	1,287,735.85	18,099.18
Resource Room / Resource Center:					
Salaries of Teachers	3,770,303.00	(135,411.50)	3,634,891.50	3,528,225.83	106,665.67
Other Salaries for Instruction	559,100.00	39,337.00	598,437.00	573,527.66	24,909.34
General Supplies	11,102.29	(51.76)	11,050.53	9,145.66	1,904.87
Total Resource Room / Resource Center	4,340,505.29	(96,126.26)	4,244,379.03	4,110,899.15	133,479.88
Autism					
Salaries of Teachers	357,115.00		357,115.00	275,099.82	82,015.18
Other Salaries for Instruction	569,990.00	(0.14)	569,989.86	537,821.89	32,167.97
General Supplies	8,488.45	(38.45)	8,450.00	2,784.28	5,665.72
Total Autism	935,593.45	(38.59)	935,554.86	815,705.99	119,848.87
Preschool Disabilities - Full Time:					
Salaries of Teachers	412,695.00	6,000.00	418,695.00	383,554.60	35,140.40
Other Salaries for Instruction	447,039.00	(6,000.00)	441,039.00	418,593.39	22,445.61
General Supplies	2,200.00	781.06	2,981.06	2,866.99	114.07
Total Preschool Disabilities - Full Time	861,934.00	781.06	862,715.06	805,014.98	57,700.08
Total Special Education - Instruction	8,440,294.74	73,583.64	8,513,878.38	8,177,486.66	336,391.72

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 1,816,853.00	\$ 585.00	\$ 1,817,438.00	\$ 1,469,504.86	\$ 347,933.14
General Supplies	6,000.00		6,000.00	3,301.97	2,698.03
Total Basic Skills / Remedial - Instruction	1,822,853.00	585.00	1,823,438.00	1,472,806.83	350,631.17
Bilingual Education - Instruction:					
Salaries of Teachers	727,406.00		727,406.00	723,326.00	4,080.00
General Supplies	3,300.00		3,300.00	1,348.00	1,952.00
Total Bilingual Education - Instruction	730,706.00	-	730,706.00	724,674.00	6,032.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	55,462.00	0.50	55,462.50	44,374.44	11,088.06
Supplies and Materials	15,510.00	(60.00)	15,450.00	4,852.72	10,597.28
Total School Sponsored Cocurricular Activities - Instruction	70,972.00	(59.50)	70,912.50	49,227.16	21,685.34
School Sponsored Athletics - Instruction:					
Salaries	34,615.00		34,615.00	25,940.00	8,675.00
Purchased Services	14,450.00		14,450.00	8,386.00	6,064.00
Supplies and Materials	8,577.04	(982.04)	7,595.00	5,953.87	1,641.13
Total School Sponsored Athletics - Instruction	57,642.04	(982.04)	56,660.00	40,279.87	16,380.13
Total Instruction	27,643,293.05	31,346.98	27,674,640.03	26,419,971.39	1,254,668.64

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 201,500.00	\$ 19,067.61	\$ 220,567.61	\$ 201,084.48	\$ 19,483.13
Tuition to CSSD and Regional Day Schools	872,870.00	(30,486.22)	842,383.78	718,215.92	124,167.86
Tuition to Private Schools for the Disabled - Within State	459,157.00	216,654.51	675,811.51	669,835.24	5,976.27
	<u>1,533,527.00</u>	<u>205,235.90</u>	<u>1,738,762.90</u>	<u>1,589,135.64</u>	<u>149,627.26</u>
Total Undistributed Expenditures - Instruction					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	30,596.00	0.36	30,596.36	21,923.16	8,673.20
Other Purchased Services	2,500.00		2,500.00	1,409.53	1,090.47
Supplies and Materials	500.00		500.00		500.00
	<u>33,596.00</u>	<u>0.36</u>	<u>33,596.36</u>	<u>23,332.69</u>	<u>10,263.67</u>
Total Undistributed Expenditures - Attendance and Social Work					
Undistributed Expenditures - Health Services:					
Salaries	493,780.00		493,780.00	438,266.83	55,513.17
Purchased Professional and Technical Services	13,100.00		13,100.00	10,315.00	2,785.00
Other Purchased Services	500.00		500.00		500.00
Supplies and Materials	23,985.00	0.50	23,985.50	9,275.10	14,710.40
	<u>531,365.00</u>	<u>0.50</u>	<u>531,365.50</u>	<u>457,856.93</u>	<u>73,508.57</u>
Total Undistributed Expenditures - Health Services					
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Salaries	842,154.00		842,154.00	739,208.56	102,945.44
Purchased Professional - Educational Services	23,950.00	15,967.44	39,917.44	34,921.06	4,996.38
Other Purchased Services		500.00	500.00		500.00
Supplies and Materials	6,000.00		6,000.00	5,362.85	637.15
	<u>872,104.00</u>	<u>16,467.44</u>	<u>888,571.44</u>	<u>779,492.47</u>	<u>109,078.97</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Related Services					

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Extra Services:					
Salaries	\$ 164,020.00	\$ (16,200.00)	\$ 147,820.00	\$ 122,365.00	\$ 25,455.00
Purchased Professional - Educational Services	500,000.00	79,512.56	579,512.56	382,388.61	197,123.95
Supplies and Materials	8,000.00	(4,780.00)	3,220.00	587.60	2,632.40
Total Undistributed Expenditures - Other Support Services -					
Students - Extra Services	672,020.00	58,532.56	730,552.56	505,341.21	225,211.35
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	815,070.00		815,070.00	815,070.00	
Salaries of Secretarial and Clerical Assistants	57,980.00	(0.08)	57,979.92	57,979.92	
Other Purchased Professional and Technical Services	5,000.00	(0.05)	4,999.95	193.60	4,806.35
Other Purchased Services (400-500 series)	1,500.00		1,500.00	323.48	1,176.52
Supplies and Materials	8,778.00		8,778.00	6,487.21	2,290.79
Other Objects	850.00		850.00	38.78	811.22
Total Undistributed Expenditures - Other Support Services -					
Students - Regular	889,178.00	(0.13)	889,177.87	880,092.99	9,084.88
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	1,959,174.00	(0.23)	1,959,173.77	1,958,661.22	512.55
Salaries of Secretarial and Clerical Assistants	256,869.00	(18,678.34)	238,190.66	201,351.99	36,838.67
Purchased Professional - Educational Services	18,895.00	10,900.35	29,795.35	29,416.38	378.97
Other Purchased Professional and Technical Services	103,250.00	9,750.00	113,000.00	104,603.37	8,396.63
Other Purchased Services (400-500 series)	7,500.00		7,500.00	2,116.81	5,383.19
Supplies and Materials	30,510.31	(9,510.31)	21,000.00	18,516.96	2,483.04
Other Objects	1,500.00		1,500.00	716.91	783.09
Total Undistributed Expenditures - Other Support Services -					
Students - Special	2,377,698.31	(7,538.53)	2,370,159.78	2,315,383.64	54,776.14

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 272,657.00	\$ (0.34)	\$ 272,656.66	\$ 272,656.56	\$ 0.10
Salaries of Secretarial and Clerical Assistants	52,280.00	(0.08)	52,279.92	52,279.92	
Salaries of Facilitators, Math & Literacy Coaches	184,682.00		184,682.00	184,682.00	
Purchased Professional - Educational Services	99,500.00		99,500.00	82,610.93	16,889.07
Supplies and Materials	423,725.00	18,384.22	442,109.22	400,825.55	41,283.67
Other Objects	2,750.00		2,750.00	2,748.00	2.00
Total Undistributed Expenditures - Improvement of Instruction Services	1,035,594.00	18,383.80	1,053,977.80	995,802.96	58,174.84
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	234,085.00	(0.50)	234,084.50	183,577.80	50,506.70
Purchased Professional and Technical Services	10,320.00		10,320.00	8,497.85	1,822.15
Other Purchased Services (400-500 series)	4,300.00		4,300.00		4,300.00
Supplies and Materials	32,861.00		32,861.00	26,311.31	6,549.69
Total Undistributed Expenditures - Educational Media Services / School Library	281,566.00	(0.50)	281,565.50	218,386.96	63,178.54
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	72,305.00		72,305.00	71,603.04	701.96

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 378,626.00	\$ 2,959.70	\$ 381,585.70	\$ 381,585.70	
Legal Services	75,000.00	4,665.00	79,665.00	61,950.51	\$ 17,714.49
Audit Fees	56,500.00	1,950.00	58,450.00	58,450.00	
Architectural/Engineering Services	16,200.00	8,800.00	25,000.00	23,800.00	1,200.00
Other Purchased Professional Services	28,750.00	(2,950.69)	25,799.31	22,351.10	3,448.21
Communications / Telephone	408,502.00	(16,624.34)	391,877.66	239,043.81	152,833.85
BOE Other Purchased Services	6,500.00		6,500.00	2,514.61	3,985.39
Other Purchased Services (400-500)	139,416.00		139,416.00	134,015.27	5,400.73
General Supplies	8,000.00	473.45	8,473.45	8,346.79	126.66
Miscellaneous Expenditures	10,450.00		10,450.00	10,397.87	52.13
BOE Membership Dues and Fees	40,000.00	(400.00)	39,600.00	38,537.85	1,062.15
Total Undistributed Expenditures - Support Services - General Administration	1,167,944.00	(1,126.88)	1,166,817.12	980,993.51	185,823.61
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	1,450,285.00	(0.21)	1,450,284.79	1,345,369.56	104,915.23
Salaries of Secretarial and Clerical Assistants	661,057.00	(6,950.66)	654,106.34	615,349.11	38,757.23
Unused Vacation Payment to Terminated/Retired Staff		6,950.80	6,950.80	6,950.80	
Supplies and Materials	72,550.00	(80.00)	72,470.00	40,721.76	31,748.24
Other Objects	7,650.00	80.00	7,730.00	7,515.00	215.00
Total Undistributed Expenditures - Support Services - School Administration	2,191,542.00	(0.07)	2,191,541.93	2,015,906.23	175,635.70
Undistributed Expenditures - Central Services:					
Salaries	548,077.00	0.13	548,077.13	540,337.74	7,739.39
Purchased Technical Services	21,640.00	(1,000.00)	20,640.00	20,371.20	268.80
Miscellaneous Purchased Services (400-500 series)	20,628.15	(4,128.15)	16,500.00	10,990.90	5,509.10
Supplies and Materials	11,100.00	(144.26)	10,955.74	9,477.50	1,478.24
Miscellaneous Expenditures	4,500.00	144.26	4,644.26	4,644.26	
Total Undistributed Expenditures - Central Services	605,945.15	(5,128.02)	600,817.13	585,821.60	14,995.53

(Continued)



## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administration of Information Technology:					
Salaries	\$ 414,675.00	\$ 0.21	\$ 414,675.21	\$ 356,050.74	\$ 58,624.47
Purchased Technical Services	50,008.00		50,008.00	39,354.80	10,653.20
Other Purchased Services (400-500 series)	850.00		850.00	58.28	791.72
Other Objects	2,500.00		2,500.00	1,870.00	630.00
Total Undistributed Expenditures - Administration of Information Technology	468,033.00	0.21	468,033.21	397,333.82	70,699.39
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	480,970.00	26,040.14	507,010.14	501,622.21	5,387.93
Cleaning, Repair and Maintenance Services	589,987.43	734,810.00	1,324,797.43	1,196,291.10	128,506.33
General Supplies	150,805.11	35,575.03	186,380.14	154,134.85	32,245.29
Other Objects	10,600.00	(4,665.24)	5,934.76	5,931.02	3.74
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,232,362.54	791,759.93	2,024,122.47	1,857,979.18	166,143.29
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,818,738.00	(47,097.04)	1,771,640.96	1,706,368.80	65,272.16
Purchased Professional and Technical Services	2,200.00	800.00	3,000.00	3,000.00	
Cleaning, Repair and Maintenance Services	96,507.00	(857.00)	95,650.00	85,005.84	10,644.16
Other Purchased Property Services	133,000.00	11,759.60	144,759.60	133,767.96	10,991.64
Insurance	212,223.00	(24,348.00)	187,875.00	187,375.00	500.00
General Supplies	211,275.00	3,989.80	215,264.80	192,051.34	23,213.46
Energy (Heat)	188,000.00	210,493.80	398,493.80	383,398.38	15,095.42
Energy (Electricity)	741,700.00	239,626.45	981,326.45	981,326.45	
Energy (Gasoline)	30,000.00	(7,003.88)	22,996.12	13,338.23	9,657.89
Other Objects	10,500.00	(200.16)	10,299.84	9,900.00	399.84
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,444,143.00	389,220.59	3,833,363.59	3,697,589.02	135,774.57

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	\$ 30,702.00	\$ 200.64	\$ 30,902.64	\$ 30,902.64	
Cleaning, Repair, and Maintenance Services	151,550.00	64,364.00	215,914.00	168,000.40	\$ 47,913.60
General Supplies	38,700.00	(13,550.00)	25,150.00	8,728.48	16,421.52
Total Undistributed Expenditures - Care & Upkeep of Grounds	220,952.00	51,014.64	271,966.64	207,631.52	64,335.12
Undistributed Expenditures - Security					
Salaries	49,190.00	0.40	49,190.40	49,190.40	
Purchased Professional and Technical services	183,500.00	17,793.35	201,293.35	198,753.67	2,539.68
Cleaning, Repair, and Maintenance Services	34,850.00	23,547.70	58,397.70	50,236.58	8,161.12
General Supplies	15,250.00	(4,243.42)	11,006.58	3,590.46	7,416.12
Total Undistributed Expenditures - Security	282,790.00	37,098.03	319,888.03	301,771.11	18,116.92
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School)-Reg.	113,780.00	422.76	114,202.76	114,202.76	
Other Purchased Prof. and Technical Services	6,050.00	(422.46)	5,627.54	5,500.00	127.54
Contracted Services - Aid in Lieu of Payments - Nonpublic School	95,771.50	13,593.74	109,365.24	105,801.09	3,564.15
Contracted Services - Aid in Lieu of Payments - Charter School	15,330.00	(1,106.00)	14,224.00	10,070.32	4,153.68
Contracted Services - Aid in Lieu of Payments - Choice School	22,484.00	7,806.00	30,290.00	30,290.00	
Contracted Services - (Between Home and School) - Vendors	2,000.00		2,000.00		2,000.00
Contracted Services - (Other than Between Home and School) - Vendors	106,500.00	11,647.66	118,147.66	98,318.98	19,828.68
Contracted Services - (Between Home and School) - Joint Agreements	4,629,891.00	(523,379.27)	4,106,511.73	2,709,534.33	1,396,977.40
Contracted Services (Special Education Students) - Joint Agreements	1,771,610.00	136,779.77	1,908,389.77	1,861,230.90	47,158.87
General Supplies	4,850.00		4,850.00	2,944.69	1,905.31
Total Undistributed Expenditures - Student Transportation Services	6,768,266.50	(354,657.80)	6,413,608.70	4,937,893.07	1,475,715.63
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	900,000.00		900,000.00	798,817.88	101,182.12
Other Retirement Contributions - PERS	1,512,288.00		1,512,288.00	1,395,102.00	117,186.00
Other Retirement Contributions - Regular	47,000.00		47,000.00	36,398.03	10,601.97
Unemployment Compensation	10,000.00	(3,000.00)	7,000.00		7,000.00
Workmen's Compensation	444,171.00		444,171.00	444,171.00	
Health Benefits	12,198,432.00	(258,660.53)	11,939,771.47	10,064,101.99	1,875,669.48
Tuition Reimbursement	124,280.00	(780.00)	123,500.00	117,444.12	6,055.88
Other Employee Benefits	930,000.00	3,000.00	933,000.00	814,081.08	118,918.92
Unused Sick Payment to Terminated/Retired Staff	215,000.00		215,000.00	161,442.80	53,557.20
Total Unallocated Benefits	16,381,171.00	(259,440.53)	16,121,730.47	13,831,558.90	2,290,171.57

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information  
General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 10,524,934.00	\$ (10,524,934.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				120,031.00	(120,031.00)
On-behalf TPAF Medical Contributions (non-budgeted)				2,897,170.00	(2,897,170.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,743.00	(3,743.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,091,548.91	(2,091,548.91)
Total TPAF Contributions	-	-	-	15,637,426.91	(15,637,426.91)
Total Undistributed Expenditures	\$ 41,062,102.50	\$ 939,821.50	\$ 42,001,924.00	52,288,333.40	(10,286,409.40)
Interest Earned on Maintenance Reserve	185.00	-	185.00	-	185.00
Interest Earned on Current Expense Emergency Reserve	15.00	-	15.00	-	15.00
Total Current Expense	68,705,595.55	971,168.48	69,676,764.03	78,708,304.79	(9,031,540.76)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve	300.00	-	300.00	-	300.00
Equipment:					
Undistributed Expenditures - Custodial Services	-	-	-	-	-
Facility Acquisitions and Construction Services:					
Assessment for Debt Service on SDA Funding	44,186.00	-	44,186.00	44,186.00	-
Total Capital Outlay	44,486.00	57,282.00	101,768.00	44,186.00	57,582.00
Transfer of Funds to Charter School	927,629.00	(218,236.00)	709,393.00	708,328.00	1,065.00

(Continued)

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Total Expenditures	\$ 69,677,710.55	\$ 810,214.48	\$ 70,487,925.03	\$ 79,460,818.79	\$ (8,972,893.76)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,136,158.55)	(810,214.48)	(4,946,373.03)	3,625,500.09	8,571,873.12
Other Financing Sources (Uses):					
Operating Transfer Out -- Capital Reserve Transferred to Capital Projects Fund				(4,400,000.00)	(4,400,000.00)
Local Contribution - Transfer to Special Revenue Fund	-	-	-	(442,866.00)	(442,866.00)
Total Other Financing Sources (Uses):	-	-	-	(4,842,866.00)	(4,842,866.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,136,158.55)	(810,214.48)	(4,946,373.03)	(1,217,365.91)	3,729,007.12
Fund Balances, July 1	17,388,878.62	-	17,388,878.62	17,388,878.62	-
Fund Balances, June 30	\$ 13,252,720.07	\$ (810,214.48)	\$ 12,442,505.59	\$ 16,171,512.71	\$ 3,729,007.12
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 4,176,936.60	
Maintenance Reserve				2,617,704.92	
Maintenance Reserve -- Designated for Subsequent Year's Expenditures				387,500.00	
Emergency Reserve				669,999.16	
Excess Surplus				2,671,693.66	
Excess Surplus -- Designated for Subsequent Year's Expenditures				2,763,247.08	
Unemployment Compensation				323,393.61	
Assigned Fund Balance:					
Other Purposes				121,661.76	
Designated for Subsequent Year's Expenditures				329,111.92	
Unassigned Fund Balance				2,110,264.00	
				16,171,512.71	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,680,326.00)	
				\$ 13,491,186.71	

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Grants		\$ 100,000.00	\$ 100,000.00	\$ 97,512.13	(2,487.87)
Student Activities	\$ 50,000.00	15,743.45	65,743.45	56,725.89	(9,017.56)
Total - Local Sources	50,000.00	115,743.45	165,743.45	154,238.02	(11,505.43)
State Sources:					
Nonpublic Aid	275,000.00	324,452.50	599,452.50	539,134.19	(60,318.31)
Emergent Needs		73,539.34	73,539.34	73,539.34	
Preschool Education Aid	3,423,036.00		3,423,036.00	2,980,170.00	(442,866.00)
Total - State Sources	3,698,036.00	397,991.84	4,096,027.84	3,592,843.53	(503,184.31)
Federal Sources:					
Title I, Part A	732,944.00	307,771.85	1,040,715.85	939,284.39	(101,431.46)
Title I, Part A, Distinguished Schools Program		51.18	51.18	51.18	
Title II, Part A	110,680.00	35,897.29	146,577.29	138,203.33	(8,373.96)
Title III	25,186.00	(3,704.22)	21,481.78	8,191.03	(13,290.75)
Title III Immigrant		9,475.58	9,475.58	6,261.58	(3,214.00)
Title IV	46,382.00	67,317.75	113,699.75	97,975.82	(15,723.93)
I.D.E.A., Part B Basic	848,889.00	228,921.15	1,077,810.15	1,015,476.07	(62,334.08)
I.D.E.A., Part B, Preschool Incentive		51,534.74	51,534.74	49,064.76	(2,469.98)
Education Stabilization Fund III (I.D.E.A., Part B Basic)	94,218.00	(94,218.00)			
Education Stabilization Fund III (I.D.E.A., Part B, Preschool Incentive)	8,009.00	(8,009.00)			
Education Stabilization Fund III (ARP)	2,459,747.00	(1,173,847.58)	1,285,899.42	968,990.15	(316,909.27)
Education Stabilization Fund III (Learning Coach)	161,361.00	58,593.43	219,954.43	184,513.87	(35,440.56)
Education Stabilization Fund III (Summer Learning Enrichment)	20,000.00	20,000.00	40,000.00	38,631.44	(1,368.56)
Education Stabilization Fund III (Comprehensive Beyond)	20,000.00	3,435.81	23,435.81	23,303.31	(132.50)
Education Stabilization Fund III (Mental Health)	22,500.00	14,889.13	37,389.13	22,568.60	(14,820.53)
Education Stabilization Fund III (Homeless II)	21,327.00	(6,035.29)	15,291.71	8,263.46	(7,028.25)
Total - Federal Sources	4,571,243.00	(487,926.18)	4,083,316.82	3,500,778.99	(582,537.83)
Total Revenues	8,319,279.00	25,809.11	8,345,088.11	7,247,860.54	(1,097,227.57)

(Continued)

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Required Supplementary Information  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,456,965.66	\$ 299,704.83	\$ 1,756,670.49	\$ 1,727,419.59	\$ 29,250.90
Other Salaries for Instruction	396,386.00	190,974.19	587,360.19	587,360.19	
Purchased Professional & Educational Services	95,556.59	9,798.41	105,355.00	71,785.30	33,569.70
Tuition	521,119.29	144,573.71	665,693.00	665,693.00	
General Supplies	1,012,075.22	250,895.04	1,262,970.26	1,117,238.24	145,732.02
Textbooks	16,974.81	19,908.19	36,883.00	34,608.89	2,274.11
Other Objects	2,487.03	689.97	3,177.00	3,177.00	
<b>Total Instruction</b>	<b>3,501,564.60</b>	<b>916,544.34</b>	<b>4,418,108.94</b>	<b>4,207,282.21</b>	<b>210,826.73</b>
Support Services:					
Salaries of Program Directors	73,020.00	73,019.76	146,039.76	146,039.76	
Salaries of Other Professional Staff	60,335.00		60,335.00	60,335.00	
Salaries of Secretarial and Clerical Assistants	56,226.22	(11,911.22)	44,315.00	44,315.00	
Other Salaries	432,620.66	67,184.33	499,804.99	413,859.59	85,945.40
Salaries of Community Parent Involvement Spec.	2,100.00	(210.00)	1,890.00	1,890.00	
Salaries of PEA Facilitator/Coach		53,100.00	53,100.00	53,100.00	
Salaries of Master Teachers	55,000.00	(55,000.00)			
Personal Services - Employee Benefits	625,254.42	352,466.12	977,720.54	956,837.75	20,882.79
Purchased Professional & Technical Services	1,098,234.12	44,169.86	1,142,403.98	928,337.42	214,066.56
Purchased Educational Services - Contracted Pre-K	1,204,200.00	(1,204,200.00)			
Purchased Educational Services - Head Start	133,080.00		133,080.00	133,080.00	
Other Purchased Professional Services		92,728.45	92,728.45	64,710.57	28,017.88
Cleaning, Repair and Maintenance Services	119,011.19	76,625.29	195,636.48	165,636.48	30,000.00
Rentals		21,000.00	21,000.00	21,000.00	
Contracted Services - (Between Home and School)		95,000.00	95,000.00	91,800.00	3,200.00
Miscellaneous Purchased Services	36,427.75	(36,427.75)			
Supplies and Materials	366,061.79	(35,498.14)	330,563.65	310,807.59	19,756.06
Other Objects	3,482.20	11,574.90	15,057.10	6,350.43	8,706.67
Student Activities	50,000.00	(50,000.00)		39,644.93	(39,644.93)
<b>Total Support Services</b>	<b>4,315,053.35</b>	<b>(506,378.40)</b>	<b>3,808,674.95</b>	<b>3,437,744.52</b>	<b>370,930.43</b>
Capital Outlay:					
Instructional Equipment	20,044.25	79,298.12	99,342.37	9,657.00	89,685.37
Construction Services	482,616.80	(463,654.95)	18,961.85	18,961.85	
<b>Total Capital Outlay</b>	<b>502,661.05</b>	<b>(384,356.83)</b>	<b>118,304.22</b>	<b>28,618.85</b>	<b>89,685.37</b>
<b>Total Expenditures</b>	<b>8,319,279.00</b>	<b>25,809.11</b>	<b>8,345,088.11</b>	<b>7,673,645.58</b>	<b>671,442.53</b>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	-	-	-	442,866.00	(442,866.00)
<b>Total Outflows</b>	<b>8,319,279.00</b>	<b>25,809.11</b>	<b>8,345,088.11</b>	<b>7,230,779.58</b>	<b>1,114,308.53</b>
Excess (Deficiency) of Revenues Over (Under Expenditures)	-	-	-	17,080.96	\$ 17,080.96
Fund Balance, July 1				113,629.12	
Fund Balance, June 30				\$ 130,710.08	
Recapitulation:					
Restricted:					
Student Activities				\$ 130,710.08	
Reconciliation to Governmental Funds Statements (GAAP):					
Preschool Education Aid Receipts Recognized on GAAP Basis				76,451.58	
Fiscal Year 2024 Last State Aid Payments not Recognized on GAAP Basis				(298,017.00)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				\$ (90,855.34)	

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Required Supplementary Information  
Budget-to-GAAP Reconciliation  
For the Fiscal Year Ended June 30, 2024

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 83,086,318.88	\$ 7,247,860.54
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(100,430.91)
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		76,451.58
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2023.	2,570,839.00	281,524.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2024.	<u>(2,680,326.00)</u>	<u>(298,017.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 82,976,831.88</u>	<u>\$ 7,207,388.21</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 79,460,818.79	\$ 7,673,645.58
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(100,430.91)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 79,460,818.79</u>	<u>\$ 7,573,214.67</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III



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

	<b>Measurement Date Ending June 30,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
School District's Proportion of the Net Pension Liability	0.1043825325%	0.1050373956%	0.1042734251%	0.1036871385%	0.1022143974%
School District's Proportionate Share of the Net Pension Liability	\$ 15,119,156.00	\$ 15,851,589.00	\$ 12,352,750.00	\$ 16,908,661.00	\$ 18,417,484.00
School District's Covered Payroll (Plan Measurement Period)	\$ 8,641,648.00	\$ 8,520,316.00	\$ 8,396,340.00	\$ 8,151,100.00	\$ 7,829,400.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.96%	186.04%	147.12%	207.44%	235.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
School District's Proportion of the Net Pension Liability	0.1023504196%	0.0949936808%	0.0892962353%	0.0886435742%	0.0923125078%
School District's Proportionate Share of the Net Pension Liability	\$ 20,152,228.00	\$ 22,113,010.00	\$ 26,446,984.00	\$ 19,898,706.00	\$ 17,283,426.00
School District's Covered Payroll (Plan Measurement Period)	\$ 7,926,088.00	\$ 7,217,892.00	\$ 6,641,884.00	\$ 6,596,172.00	\$ 6,937,600.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	254.25%	306.36%	398.18%	301.67%	249.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

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

	<b>Fiscal Year Ended June 30,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Contractually Required Contribution	\$ 1,469,443.00	\$ 1,395,102.00	\$ 1,324,572.00	\$ 1,221,163.00	\$ 1,134,287.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,469,443.00)</u>	<u>(1,395,102.00)</u>	<u>(1,324,572.00)</u>	<u>(1,221,163.00)</u>	<u>(1,134,287.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 8,015,534.00	\$ 8,147,501.00	\$ 7,721,637.00	\$ 7,705,742.00	\$ 7,507,637.00
Contributions as a Percentage of School District's Covered Payroll	18.33%	17.12%	17.15%	15.85%	15.11%
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually Required Contribution	\$ 994,245.00	\$ 1,018,056.00	\$ 880,015.00	\$ 793,295.00	\$ 762,097.00
Contributions in Relation to the Contractually Required Contribution	<u>(994,245.00)</u>	<u>(1,018,056.00)</u>	<u>(880,015.00)</u>	<u>(793,295.00)</u>	<u>(762,097.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 7,275,591.00	\$ 7,096,874.00	\$ 7,010,477.00	\$ 6,258,971.00	\$ 6,012,465.00
Contributions as a Percentage of School District's Covered Payroll	13.67%	14.35%	12.55%	12.67%	12.68%

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

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>125,356,134.00</u>	<u>127,552,773.00</u>	<u>120,343,391.00</u>	<u>161,340,743.00</u>	<u>153,026,178.00</u>
	<u>\$ 125,356,134.00</u>	<u>\$ 127,552,773.00</u>	<u>\$ 120,343,391.00</u>	<u>\$ 161,340,743.00</u>	<u>\$ 153,026,178.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 33,556,396.00	\$ 33,222,940.00	\$ 32,908,096.00	\$ 32,587,872.00	\$ 31,359,172.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	373.57%	383.93%	365.70%	495.09%	487.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>150,908,905.00</u>	<u>164,395,645.00</u>	<u>190,500,423.00</u>	<u>150,849,003.00</u>	<u>127,288,433.00</u>
	<u>\$ 150,908,905.00</u>	<u>\$ 164,395,645.00</u>	<u>\$ 190,500,423.00</u>	<u>\$ 150,849,003.00</u>	<u>\$ 127,288,433.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 31,219,912.00	\$ 29,366,556.00	\$ 29,721,712.00	\$ 29,022,944.00	\$ 28,075,876.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	483.37%	559.81%	640.95%	519.76%	453.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%

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

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This schedule is not applicable.

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

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2024

**Teachers' Pension and Annuity Fund (TPAF)**

***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	4.86%
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

**Public Employees' Retirement System (PERS)**

***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

REQUIRED SUPPLEMENTARY INFORMATION  
PART IV

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

	Measurement Date Ended June 30,			
	2023	2022	2021	2020
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>				
Service Cost	\$ 5,636,154.00	\$ 7,263,242.00	\$ 8,211,831.00	\$ 4,418,996.00
Interest Cost	5,052,463.00	3,639,395.00	4,157,731.00	3,842,236.00
Changes in Benefit Terms			(170,594.00)	
Difference between Expected and Actual Experience	(1,039,336.00)	6,480,449.00	(26,364,471.00)	32,928,181.00
Changes in Assumptions	289,155.00	(36,839,985.00)	158,125.00	32,414,440.00
Member Contributions	129,477.00	115,648.00	106,293.00	93,637.00
Gross Benefit Payments	(3,938,477.00)	(3,604,928.00)	(3,275,127.00)	(3,089,299.00)
Net Change in Total Non-Employer OPEB Liability	6,129,436.00	(22,946,179.00)	(17,176,212.00)	70,608,191.00
Total Non-Employer OPEB Liability - July 1	137,329,925.00	160,276,104.00	177,452,316.00	106,844,125.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 143,459,361.00</u>	<u>\$ 137,329,925.00</u>	<u>\$ 160,276,104.00</u>	<u>\$ 177,452,316.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 37,559,452.00</u>	<u>\$ 35,951,810.00</u>	<u>\$ 35,826,197.00</u>	<u>\$ 35,105,597.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	381.95%	381.98%	447.37%	505.48%
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>				
	2019	2018	2017	
Changes for the Year:				
Service Cost	\$ 4,349,562.00	\$ 4,705,142.00	\$ 5,664,587.00	
Interest Cost	4,705,976.00	4,980,827.00	4,300,221.00	
Changes in Benefit Terms				
Difference between Expected and Actual Experience	(19,449,964.00)	(10,098,588.00)		
Changes in Assumptions	1,593,055.00	(13,636,116.00)	(17,713,692.00)	
Member Contributions	97,222.00	109,817.00	115,945.00	
Gross Benefit Payments	(3,279,796.00)	(3,177,420.00)	(3,148,761.00)	
Net Change in Total Non-Employer OPEB Liability	(11,983,945.00)	(17,116,338.00)	(10,781,700.00)	
Total Non-Employer OPEB Liability - July 1	118,828,070.00	135,944,408.00	146,726,108.00	
Total Non-Employer OPEB Liability - June 30	<u>\$ 106,844,125.00</u>	<u>\$ 118,828,070.00</u>	<u>\$ 135,944,408.00</u>	
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 34,317,995.00</u>	<u>\$ 33,534,307.00</u>	<u>\$ 33,295,239.00</u>	
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	311.34%	354.35%	408.30%	

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2024

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**Changes in Benefit Terms:**

None.

**Changes in Assumptions:**

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.



## OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

		Every Student Succeeds Act (E.S.S.A)						
		Grants to Local Education Agencies Title I, Part A	Distinguished Schools Program Title I	Supporting Effective Instruction State Grants Title II, Part A	Language Instruction for English Learners Title III	Language Instruction for Immigrant Students Title III	Student Support and Academic Enrichment Title IV	Brought Forward
	<u>Total</u>							
REVENUES:								
Federal Sources	\$ 3,500,778.99	\$ 939,284.39	\$ 51.18	\$ 138,203.33	\$ 8,191.03	\$ 6,261.58	\$ 97,975.82	\$ 2,310,811.66
State Sources	3,592,843.53							3,592,843.53
Local Sources	154,238.02							154,238.02
Total Revenues	<u>7,247,860.54</u>	<u>939,284.39</u>	<u>51.18</u>	<u>138,203.33</u>	<u>8,191.03</u>	<u>6,261.58</u>	<u>97,975.82</u>	<u>6,057,893.21</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,727,419.59	36,067.24					4,153.50	1,687,198.85
Other Salaries	587,360.19							587,360.19
Purchased Professional/Technical Services	71,785.30							71,785.30
Tuition	665,693.00							665,693.00
Supplies and Materials	1,117,238.24	638,793.91	51.18		6,013.53	3,458.60	42,347.98	426,573.04
Textbooks	34,608.89							34,608.89
Miscellaneous Expenditures	3,177.00							3,177.00
Total Instruction	<u>4,207,282.21</u>	<u>674,861.15</u>	<u>51.18</u>	<u>-</u>	<u>6,013.53</u>	<u>3,458.60</u>	<u>46,501.48</u>	<u>3,476,396.27</u>
Support Services:								
Salaries of Program Directors	146,039.76							146,039.76
Salaries of Other Professional Staff	60,335.00							60,335.00
Salaries of Secretarial and Clerical Assistants	44,315.00							44,315.00
Other Salaries	413,859.59	110,089.08		2,853.96		2,603.79	1,903.98	296,408.78
Salaries of Community Parent Involvement Spec.	1,890.00							1,890.00
Salaries of PEEA Facilitator/Coach	53,100.00							53,100.00
Personal Services - Employee Benefits	956,837.75	7,685.08		218.33		199.19	463.37	948,271.78
Purchased Professional & Technical Services	928,337.42	69,245.00		127,026.12			39,449.99	692,616.31
Purchased Educational Services - Head Start	133,080.00							133,080.00
Other Purchased Professional Services	64,710.57	25,191.02		4,944.72	177.00			34,397.83
Purchased Property Services	165,636.48							165,636.48
Rentals	21,000.00							21,000.00
Contracted Services - (Between Home and School)	91,800.00							91,800.00
Supplies and Materials	310,807.59	51,250.56		3,160.20	2,000.50			254,396.33
Other Objects	6,350.43	962.50						5,387.93
Student Activities	39,644.93							39,644.93
Total Support Services	<u>3,437,744.52</u>	<u>264,423.24</u>	<u>-</u>	<u>138,203.33</u>	<u>2,177.50</u>	<u>2,802.98</u>	<u>41,817.34</u>	<u>2,988,320.13</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment	9,657.00						9,657.00	
Construction Services	18,961.85							18,961.85
Total Facilities Acquisition and Construction Services	<u>28,618.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,657.00</u>	<u>18,961.85</u>
Total Expenditures	<u>7,673,645.58</u>	<u>939,284.39</u>	<u>51.18</u>	<u>138,203.33</u>	<u>8,191.03</u>	<u>6,261.58</u>	<u>97,975.82</u>	<u>6,483,678.25</u>
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	442,866.00	-	-	-	-	-	-	442,866.00
Total Expenditures and Other Financing Sources (Uses)	<u>7,230,779.58</u>	<u>939,284.39</u>	<u>51.18</u>	<u>138,203.33</u>	<u>8,191.03</u>	<u>6,261.58</u>	<u>97,975.82</u>	<u>6,040,812.25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,080.96	-	-	-	-	-	-	17,080.96
Fund Balance, July 1	113,629.12	-	-	-	-	-	-	113,629.12
Fund Balance, June 30	<u>\$ 130,710.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 130,710.08</u>

(Continued)

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

		I.D.E.A. Part B			American Rescue Plan			
	Carried Forward	Special Education Grants to States (IDEA Basic)	Special Education Preschool Grants (IDEA Preschool)	ESSER III	Accelerated Learning Coach and Educator Support	Evidence Based Summer Learning and Enrichment	Evidence Based Comprehensive Beyond the School Day	Total Brought Forward
REVENUES:								
Federal Sources	\$ 2,310,811.66	\$ 1,015,476.07	\$ 49,064.76	\$ 968,990.15	\$ 184,513.87	\$ 38,631.44	\$ 23,303.31	\$ 30,832.06
State Sources	3,592,843.53							3,592,843.53
Local Sources	154,238.02							154,238.02
Total Revenues	6,057,893.21	1,015,476.07	49,064.76	968,990.15	184,513.87	38,631.44	23,303.31	3,777,913.61
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,687,198.85	178,604.85	20,000.00	276,588.71		30,862.37	14,431.84	1,166,711.08
Other Salaries	587,360.19							587,360.19
Purchased Professional/Technical Services	71,785.30	71,785.30						
Tuition	665,693.00	665,693.00						
Supplies and Materials	426,573.04	71,787.50	18,194.76	105,097.30	6,105.90	5,408.09	4,248.65	215,730.84
Textbooks	34,608.89							34,608.89
Miscellaneous Expenditures	3,177.00	3,177.00						
Total Instruction	3,476,396.27	991,047.65	38,194.76	381,686.01	6,105.90	36,270.46	18,680.49	2,004,411.00
Support Services:								
Salaries of Program Directors	146,039.76							146,039.76
Salaries of Other Professional Staff	60,335.00							60,335.00
Salaries of Secretarial and Clerical Assistants	44,315.00							44,315.00
Other Salaries	296,408.78	10,000.00		45,112.01	138,723.84		3,268.72	99,304.21
Salaries of Community Parent Involvement Spec.	1,890.00							1,890.00
Salaries of Master Teachers	53,100.00							53,100.00
Personal Services - Employee Benefits	948,271.78	14,428.42	10,870.00	5,485.14	10,612.40	2,360.98	1,354.10	903,160.74
Purchased Professional & Technical Services	692,616.31			366,385.84	10,650.00			315,580.47
Purchased Educational Services - Head Start	133,080.00							133,080.00
Other Purchased Professional Services	34,397.83							34,397.83
Purchased Property Services	165,636.48			48,190.00				117,446.48
Rentals	21,000.00							21,000.00
Contracted Services - (Between Home & School)	91,800.00							91,800.00
Supplies and Materials	254,396.33			122,131.15	18,421.73			113,843.45
Other Objects	5,387.93							5,387.93
Student Activities	39,644.93							39,644.93
Total Support Services	2,988,320.13	24,428.42	10,870.00	587,304.14	178,407.97	2,360.98	4,622.82	2,180,325.80
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Buildings	18,961.85							18,961.85
Total Facilities Acquisition and Construction Services	18,961.85	-	-	-	-	-	-	18,961.85
Total Expenditures	6,483,678.25	1,015,476.07	49,064.76	968,990.15	184,513.87	38,631.44	23,303.31	4,203,698.65
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	442,866.00	-	-	-	-	-	-	442,866.00
Total Expenditures and Other Financing Sources (Uses)	6,040,812.25	1,015,476.07	49,064.76	968,990.15	184,513.87	38,631.44	23,303.31	3,760,832.65
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,080.96	-	-	-	-	-	-	17,080.96
Fund Balance, July 1	113,629.12	-	-	-	-	-	-	113,629.12
Fund Balance, June 30	\$ 130,710.08	-	-	-	-	-	-	\$ 130,710.08

(Continued)

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

		American Rescue Plan			N.J. Nonpublic Auxiliary Services Ch. 192		Nonpublic Textbook Aid, Ch. 194, L. 1979	Total Brought Forward
	Carried Forward	Mental Health	Homeless II	S.D.A. Emergent Needs Grant	Compensatory Education	Home Instruction		
REVENUES:								
Federal Sources	\$ 30,832.06	\$ 22,568.60	\$ 8,263.46					
State Sources	3,592,843.53			\$ 73,539.34	\$ 97,192.75	\$ 1,930.50	\$ 34,608.89	\$ 3,385,572.05
Local Sources	154,238.02							154,238.02
Total Revenues	3,777,913.61	22,568.60	8,263.46	73,539.34	97,192.75	1,930.50	34,608.89	3,539,810.07
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,166,711.08				67,208.00			1,099,503.08
Other Salaries	587,360.19							587,360.19
Purchased Professional/Technical Services								
Tuition								
Supplies and Materials	215,730.84							215,730.84
Textbooks	34,608.89						34,608.89	
Miscellaneous Expenditures								
Total Instruction	2,004,411.00	-	-	-	67,208.00	-	34,608.89	1,902,594.11
Support Services:								
Salaries of Program Directors	146,039.76							146,039.76
Salaries of Other Professional Staff	60,335.00							60,335.00
Salaries of Secretarial and Clerical Assistants	44,315.00							44,315.00
Other Salaries	99,304.21	6,998.05						92,306.16
Salaries of Community Parent Involvement Spec.	1,890.00							1,890.00
Salaries of Master Teachers	53,100.00							53,100.00
Personal Services - Employee Benefits	903,160.74	526.94			11,141.00			891,492.80
Purchased Professional & Technical Services	315,580.47				18,843.75	1,930.50		294,806.22
Purchased Educational Services - Head Start	133,080.00							133,080.00
Other Purchased Professional Services	34,397.83		7,905.43					26,492.40
Purchased Property Services	117,446.48			73,539.34				43,907.14
Rentals	21,000.00							21,000.00
Contracted Services - (Between Home & School)	91,800.00							91,800.00
Supplies and Materials	113,843.45	15,043.61	358.03					98,441.81
Other Objects	5,387.93							5,387.93
Student Activities	39,644.93							39,644.93
Total Support Services	2,180,325.80	22,568.60	8,263.46	73,539.34	29,984.75	1,930.50	-	2,044,039.15
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Buildings	18,961.85							18,961.85
Total Facilities Acquisition and Construction Services	18,961.85	-	-	-	-	-	-	18,961.85
Total Expenditures	4,203,698.65	22,568.60	8,263.46	73,539.34	97,192.75	1,930.50	34,608.89	3,965,595.11
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	442,866.00	-	-	-	-	-	-	442,866.00
Total Expenditures and Other Financing Sources (Uses)	3,760,832.65	22,568.60	8,263.46	73,539.34	97,192.75	1,930.50	34,608.89	3,522,729.11
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,080.96	-	-	-	-	-	-	17,080.96
Fund Balance, July 1	113,629.12	-	-	-	-	-	-	113,629.12
Fund Balance, June 30	\$ 130,710.08	-	-	-	-	-	-	\$ 130,710.08

(Continued)

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

					N.J. Nonpublic Handicapped Serv. Ch. 193			
	Carried Forward	Nonpublic Nursing Aid	Nonpublic Security Aid	Nonpublic Technology Aid	Corrective Speech	Supplemental Instruction	Examination and Classification	Total Brought Forward
REVENUES:								
Federal Sources								
State Sources	\$ 3,385,572.05	\$ 76,116.25	\$ 153,457.47	\$ 29,991.89	\$ 30,690.00	\$ 40,235.94	\$ 74,910.50	\$ 2,980,170.00
Local Sources	154,238.02							154,238.02
Total Revenues	3,539,810.07	76,116.25	153,457.47	29,991.89	30,690.00	40,235.94	74,910.50	3,134,408.02
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,099,503.08					1,911.00	69,587.10	1,028,004.98
Other Salaries	587,360.19							587,360.19
Purchased Professional/Technical Services								
Tuition								
Supplies and Materials	215,730.84			29,991.89				185,738.95
Textbooks								
Miscellaneous Expenditures								
Total Instruction	1,902,594.11	-	-	29,991.89	-	1,911.00	69,587.10	1,801,104.12
Support Services:								
Salaries of Program Directors	146,039.76							146,039.76
Salaries of Other Professional Staff	60,335.00							60,335.00
Salaries of Secretarial and Clerical Assistants	44,315.00							44,315.00
Other Salaries	92,306.16							92,306.16
Salaries of Community Parent Involvement Spec.	1,890.00							1,890.00
Salaries of Master Teachers	53,100.00							53,100.00
Personal Services - Employee Benefits	891,492.80					146.19	5,323.40	886,023.21
Purchased Professional & Technical Services	294,806.22	72,480.00	153,457.47		30,690.00	38,178.75		133,080.00
Purchased Educational Services - Head Start	133,080.00							133,080.00
Other Purchased Professional Services	26,492.40							26,492.40
Purchased Property Services	43,907.14							43,907.14
Rentals	21,000.00							21,000.00
Contracted Services - (Between Home & School)	91,800.00							91,800.00
Supplies and Materials	98,441.81	3,636.25						94,805.56
Other Objects	5,387.93							5,387.93
Student Activities	39,644.93							39,644.93
Total Support Services	2,044,039.15	76,116.25	153,457.47	-	30,690.00	38,324.94	5,323.40	1,740,127.09
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Buildings	18,961.85							18,961.85
Total Facilities Acquisition and Construction Services	18,961.85	-	-	-	-	-	-	18,961.85
Total Expenditures	3,965,595.11	76,116.25	153,457.47	29,991.89	30,690.00	40,235.94	74,910.50	3,560,193.06
Other Financing Sources (Uses):								
Transfers from/(to) General Fund	442,866.00	-	-	-	-	-	-	442,866.00
Total Expenditures and Other Financing Sources (Uses)	3,522,729.11	76,116.25	153,457.47	29,991.89	30,690.00	40,235.94	74,910.50	3,117,327.06
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,080.96	-	-	-	-	-	-	17,080.96
Fund Balance, July 1	113,629.12	-	-	-	-	-	-	113,629.12
Fund Balance, June 30	\$ 130,710.08	-	-	-	-	-	-	\$ 130,710.08

(Continued)

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

	Carried Forward	Preschool Education Aid	Other Local Grants	Student Activity Fund
<b>REVENUES:</b>				
Federal Sources				
State Sources	\$ 2,980,170.00	\$ 2,980,170.00		
Local Sources	154,238.02		\$ 97,512.13	\$ 56,725.89
<b>Total Revenues</b>	<b>3,134,408.02</b>	<b>2,980,170.00</b>	<b>97,512.13</b>	<b>56,725.89</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	1,028,004.98	1,028,004.98		
Other Salaries	587,360.19	587,360.19		
Purchased Professional/Technical Services				
Tuition				
Supplies and Materials	185,738.95	177,636.80	8,102.15	
Textbooks				
Miscellaneous Expenditures				
<b>Total Instruction</b>	<b>1,801,104.12</b>	<b>1,793,001.97</b>	<b>8,102.15</b>	<b>-</b>
<b>Support Services:</b>				
Salaries of Program Directors	146,039.76	146,039.76		
Salaries of Other Professional Staff	60,335.00	60,335.00		
Salaries of Secretarial and Clerical Assistants	44,315.00	44,315.00		
Other Salaries	92,306.16	90,746.16	1,560.00	
Salaries of Community Parent Involvement Spec.	1,890.00	1,890.00		
Salaries of Master Teachers	53,100.00	53,100.00		
Personal Services - Employee Benefits	886,023.21	885,903.87	119.34	
Purchased Professional & Technical Services				
Purchased Educational Services - Head Start	133,080.00	133,080.00		
Other Purchased Professional Services	26,492.40		26,492.40	
Purchased Property Services	43,907.14	43,907.14		
Rentals	21,000.00	21,000.00		
Contracted Services - (Between Home & School)	91,800.00	91,800.00		
Supplies and Materials	94,805.56	38,955.25	55,850.31	
Other Objects	5,387.93		5,387.93	
Student Activities	39,644.93			39,644.93
<b>Total Support Services</b>	<b>1,740,127.09</b>	<b>1,611,072.18</b>	<b>89,409.98</b>	<b>39,644.93</b>
<b>Facilities Acquisition and Construction Services:</b>				
Instructional Equipment				
Buildings	18,961.85	18,961.85		
<b>Total Facilities Acquisition and Construction Services</b>	<b>18,961.85</b>	<b>18,961.85</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>3,560,193.06</b>	<b>3,423,036.00</b>	<b>97,512.13</b>	<b>39,644.93</b>
<b>Other Financing Sources (Uses):</b>				
Transfers from/(to) General Fund	442,866.00	442,866.00	-	-
<b>Total Expenditures and Other Financing Sources (Uses)</b>	<b>3,117,327.06</b>	<b>2,980,170.00</b>	<b>97,512.13</b>	<b>39,644.93</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>17,080.96</b>	<b>-</b>	<b>-</b>	<b>17,080.96</b>
<b>Fund Balance, July 1</b>	<b>113,629.12</b>	<b>-</b>	<b>-</b>	<b>113,629.12</b>
<b>Fund Balance, June 30</b>	<b>\$ 130,710.08</b>	<b>-</b>	<b>-</b>	<b>\$ 130,710.08</b>

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 1,028,004.98	\$ 1,028,004.98	
Other Salaries for Instruction	587,360.19	587,360.19	
General Supplies	177,636.80	177,636.80	
	<u>1,793,001.97</u>	<u>1,793,001.97</u>	<u>-</u>
Total Instruction			
	<u>1,793,001.97</u>	<u>1,793,001.97</u>	<u>-</u>
Support Services:			
Salaries of Program Directors	146,039.76	146,039.76	
Salaries of Other Professional Staff	60,335.00	60,335.00	
Salaries of Secretarial and Clerical Assistants	44,315.00	44,315.00	
Other Salaries	90,746.16	90,746.16	
Salaries of Community Parent Involvement Spec.	1,890.00	1,890.00	
Salaries of Master Teachers	53,100.00	53,100.00	
Personal Services - Employee Benefits	885,903.87	885,903.87	
Purchased Educational Services - Head Start	133,080.00	133,080.00	
Cleaning, Repair and Maintenance Services	43,907.14	43,907.14	
Rentals	21,000.00	21,000.00	
Contracted Services - (Between Home and School)	91,800.00	91,800.00	
Supplies and Materials	38,955.25	38,955.25	
	<u>1,611,072.18</u>	<u>1,611,072.18</u>	<u>-</u>
Total Support Services			
	<u>1,611,072.18</u>	<u>1,611,072.18</u>	<u>-</u>
Facilities Acquisition and Construction Services:			
Buildings	18,961.85	18,961.85	
	<u>18,961.85</u>	<u>18,961.85</u>	<u>-</u>
Total Expenditures			
	<u>\$ 3,423,036.00</u>	<u>\$ 3,423,036.00</u>	<u>-</u>
<u>Calculation of Budget and Carryover</u>			
Total Revised 2023-2024 Preschool Education Aid Allocation		\$ 2,980,170.00	
Add: Budgeted Transfer from the General Fund 2023-2024		<u>442,866.00</u>	
Total Preschool Education Aid Funds Available for 2023-2024 Budget		3,423,036.00	
Less: 2023-2024 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)		<u>(3,423,036.00)</u>	
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2024		-	
Add: 2023-2024 Unexpended Preschool Education Aid		-	
Less: 2023-2024 Commissioner Approved Transfer to General Fund		<u>-</u>	
2023-2024 Carryover -- Preschool Education Aid		<u>-</u>	
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025		<u>-</u>	



## CAPITAL PROJECTS FUND

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2024

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2024</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Parking Lot Renovations State Project # 1690-045-23-1000	7/1/2021	\$ 1,006,778.82	\$ 1,006,259.60		\$ 519.22
HVAC System Upgrade at Arthur Rann State Project # 1690-015-23-R501	1/23/2024	900,000.00			900,000.00
Cooling Tower and Chiller at Middle School	1/23/2024	800,000.00			800,000.00
HVAC System Upgrade at Reeds Road State Project # 1690-045-23-R501	1/23/2024	900,000.00			900,000.00
HVAC System Upgrade at Roland Rogers State Project # 1690-046-23-R501	1/23/2024	900,000.00			900,000.00
HVAC System Upgrade at Smithville State Project # 1690-048-23-R501	1/23/2024	900,000.00			900,000.00
		<u>\$ 5,406,778.82</u>	<u>\$ 1,006,259.60</u>	<u>-</u>	<u>\$ 4,400,519.22</u>

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Summary Schedule of Revenue, Expenditure, and Change in Fund Balances  
For the Fiscal Year Ended June 30, 2024

**Revenues and Other Financing Sources**

Transfer from Capital Reserve	\$ 4,400,000.00
Transfer from (to) Other Local Projects	
Total Revenues	<u>4,400,000.00</u>

**Expenditures and Other Financing Uses**

Expenditures:	
Purchased Professional and Technical Services	
Construction Services	
Total Expenditures	<u>-</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	4,400,000.00
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Fund Balance -- July 1	<u>519.22</u>
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Fund Balance -- June 30	<u><u>\$ 4,400,519.22</u></u>
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Note: For F-2 Exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

Parking Lot Renovations

For the Inception and for the Fiscal Year Ended June 30, 2024

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

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

HVAC System Upgrade at Arthur Rann

For the Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve		\$ 900,000.00	\$ 900,000.00	\$ 900,000.00
Transfer from (to) Other Local Projects				
Total Revenues	-	900,000.00	900,000.00	900,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				100,000.00
Construction Services				800,000.00
Total Expenditures	-	-	-	900,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 900,000.00	\$ 900,000.00	-

**Additional Project Information:**

Project Number	1690-015-23-R501
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 900,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 900,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	N/A

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Cooling Tower and Chiller at Middle School  
For the Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve		\$ 800,000.00	\$ 800,000.00	\$ 800,000.00
Transfer from (to) Other Local Projects				
Total Revenues	-	800,000.00	800,000.00	800,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				90,000.00
Construction Services				710,000.00
Total Expenditures	-	-	-	800,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 800,000.00	\$ 800,000.00	-

**Additional Project Information:**

Project Number	Unavailable
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 800,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 800,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	N/A

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

HVAC System Upgrade at Reeds Road

For the Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve		\$ 900,000.00	\$ 900,000.00	\$ 900,000.00
Transfer from (to) Other Local Projects				
Total Revenues	-	900,000.00	900,000.00	900,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				100,000.00
Construction Services				800,000.00
Total Expenditures	-	-	-	900,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 900,000.00	900,000.00	-

**Additional Project Information:**

Project Number	1690-045-23-R501
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 900,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 900,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	N/A

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

HVAC System Upgrade at Roland Rogers

For the Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve		\$ 900,000.00	\$ 900,000.00	\$ 900,000.00
Transfer from (to) Other Local Projects				
Total Revenues	-	900,000.00	900,000.00	900,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				100,000.00
Construction Services				800,000.00
Total Expenditures	-	-	-	900,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 900,000.00	900,000.00	-

**Additional Project Information:**

Project Number	1690-046-23-R501
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 900,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 900,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	N/A



## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis

HVAC System Upgrade at Smithville

For the Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve		\$ 900,000.00	\$ 900,000.00	\$ 900,000.00
Transfer from (to) Other Local Projects				
Total Revenues	-	900,000.00	900,000.00	900,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				100,000.00
Construction Services				800,000.00
Total Expenditures	-	-	-	900,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 900,000.00	\$ 900,000.00	-

**Additional Project Information:**

Project Number	1690-048-23-R501
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 900,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 900,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	N/A

## PROPRIETARY FUNDS

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 530,698.77	\$ 918,632.73	\$ 74,523.97	\$ 49,283.39	\$ 1,573,138.86
Accounts Receivable:					
Federal	288,963.40				288,963.40
State	11,836.41				11,836.41
Other	7,874.28	5,342.99			13,217.27
Interfund Accounts Receivable:					
Due General Fund				844.49	844.49
Inventories	22,904.74				22,904.74
<b>Total Current Assets</b>	<u>862,277.60</u>	<u>923,975.72</u>	<u>74,523.97</u>	<u>50,127.88</u>	<u>1,910,905.17</u>
Noncurrent Assets:					
Capital Assets:					
Furniture, Fixtures and Equipment	954,183.49	325,992.31		10,944.94	1,291,120.74
Less Accumulated Depreciation	(717,202.88)	(37,311.05)		(60.81)	(754,574.74)
<b>Total Noncurrent Assets</b>	<u>236,980.61</u>	<u>288,681.26</u>	<u>-</u>	<u>10,884.13</u>	<u>536,546.00</u>
<b>Total Assets</b>	<u>1,099,258.21</u>	<u>1,212,656.98</u>	<u>74,523.97</u>	<u>61,012.01</u>	<u>2,447,451.17</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	315,837.72	399,586.91	5,295.88		720,720.51
Compensated Absences	29,127.28				29,127.28
Accounts Payable	21,165.46	3,310.49		11,684.94	36,160.89
Unearned Revenue	13,941.65				13,941.65
<b>Total Current Liabilities</b>	<u>380,072.11</u>	<u>402,897.40</u>	<u>5,295.88</u>	<u>11,684.94</u>	<u>799,950.33</u>
Noncurrent Liabilities:					
Compensated Absences	116,509.12	-	-	-	116,509.12
<b>Total Liabilities</b>	<u>496,581.23</u>	<u>402,897.40</u>	<u>5,295.88</u>	<u>11,684.94</u>	<u>916,459.45</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	236,980.61	288,681.26		10,884.13	536,546.00
Unrestricted	365,696.37	521,078.32	69,228.09	38,442.94	994,445.72
<b>Total Net Position</b>	<u>\$ 602,676.98</u>	<u>\$ 809,759.58</u>	<u>\$ 69,228.09</u>	<u>\$ 49,327.07</u>	<u>\$ 1,530,991.72</u>

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>					
Charges for Services:					
Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 356,464.50				\$ 356,464.50
Daily Sales - Non-Reimbursable Programs	78,800.81				78,800.81
Community Service Activities		\$ 693,122.00	\$ 22,852.50	\$ 25,561.69	741,536.19
Total Operating Revenues	435,265.31	693,122.00	22,852.50	25,561.69	1,176,801.50
<b>OPERATING EXPENSES:</b>					
Salaries	1,050,585.63	449,225.22	20,160.25	20,990.03	1,540,961.13
Employee Benefits	291,239.72	39,748.21	1,542.27	1,605.74	334,135.94
Purchased Property Services	42,451.06	75,000.00			117,451.06
Purchased Professional and Technical Services		20,574.64			20,574.64
General Supplies	96,206.50	70,287.50	2,368.46	3,450.21	172,312.67
Depreciation	34,755.42	21,029.58		60.81	55,845.81
Cost of Sales - Reimbursable Programs	941,558.64				941,558.64
Cost of Sales - Non-Reimbursable Programs	89,223.00				89,223.00
Miscellaneous	938.51	17,157.32			18,095.83
Total Operating Expenses	2,546,958.48	693,022.47	24,070.98	26,106.79	3,290,158.72
Operating Income / (Loss)	(2,111,693.17)	99.53	(1,218.48)	(545.10)	(2,113,357.22)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
State Sources:					
State School Lunch Program	35,984.62				35,984.62
State School Breakfast Program	7,003.80				7,003.80
State After Bell Program	4,385.00				4,385.00
State Support for Summer Food Service Program	412.90				412.90
State NJEIE Lunch	11,692.45				11,692.45
State NJEIE Breakfast	3,804.65				3,804.65
Federal Sources:					
National School Breakfast Program	507,489.73				507,489.73
National School Lunch Program	1,048,699.70				1,048,699.70
After School Snack Program	33,855.12				33,855.12
Food Distribution Program	121,304.95				121,304.95
Supply Chain Assistance Funding	75,801.91				75,801.91
Summer Food Service Program for Children	12,785.11				12,785.11
Summer Food Service Program for Children - Admin	1,297.57				1,297.57
P-EBT Admin Cost Reimb	3,256.00				3,256.00
Interest Revenue	19,703.82	22,095.24	1,852.33	756.98	44,408.37
Total Nonoperating Revenues (Expenses)	1,887,477.33	22,095.24	1,852.33	756.98	1,912,181.88
Change in Net Position	(224,215.84)	22,194.77	633.85	211.88	(201,175.34)
Net Position -- July 1	826,892.82	787,564.81	68,594.24	49,115.19	1,732,167.06
Net Position -- June 30	\$ 602,676.98	\$ 809,759.58	\$ 69,228.09	\$ 49,327.07	\$ 1,530,991.72

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Gifted and Talented Consortium</u>	<u>Community Education</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from Customers	\$ 444,041.95	\$ 696,424.00	\$ 22,852.50	\$ 25,561.69	\$ 1,188,880.14
Payments to Employees	(1,056,211.15)	(449,225.22)	(20,160.25)	(20,990.03)	(1,546,586.65)
Payments for Employee Benefits	(291,239.72)	(39,748.21)	(1,542.27)	(1,605.74)	(334,135.94)
Payments to Suppliers	<u>(1,155,039.83)</u>	<u>(276,510.07)</u>	<u>(2,368.46)</u>	<u>(2,710.21)</u>	<u>(1,436,628.57)</u>
Net Cash Provided by (used for) Operating Activities	<u>(2,058,448.75)</u>	<u>(69,059.50)</u>	<u>(1,218.48)</u>	<u>255.71</u>	<u>(2,128,471.02)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
State Sources	54,641.54				54,641.54
Federal Sources	1,623,303.81				1,623,303.81
Operating Subsidies and Transfers to (from) Other Funds	<u>75,000.00</u>	<u>75,000.00</u>		<u>10,944.94</u>	<u>85,944.94</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,677,945.35</u>	<u>75,000.00</u>	<u>-</u>	<u>10,944.94</u>	<u>1,763,890.29</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchases of Capital Assets	<u>(98,640.97)</u>	<u>(81,770.24)</u>		<u>(10,944.94)</u>	<u>(191,356.15)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Revenue	<u>19,703.82</u>	<u>22,095.24</u>	<u>1,852.33</u>	<u>756.98</u>	<u>44,408.37</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(459,440.55)	(53,734.50)	633.85	1,012.69	(511,528.51)
Cash and Cash Equivalents -- July 1	<u>990,139.32</u>	<u>972,367.23</u>	<u>73,890.12</u>	<u>48,270.70</u>	<u>2,084,667.37</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 530,698.77</u></u>	<u><u>\$ 918,632.73</u></u>	<u><u>\$ 74,523.97</u></u>	<u><u>\$ 49,283.39</u></u>	<u><u>\$ 1,573,138.86</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	<u>\$ (2,111,693.17)</u>	<u>\$ 99.53</u>	<u>\$ (1,218.48)</u>	<u>\$ (545.10)</u>	<u>\$ (2,113,357.22)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	34,755.42	21,029.58		60.81	55,845.81
(Increase) Decrease in Accounts Receivable, net	16,016.17	3,302.00			19,318.17
(Increase) Decrease in Inventories	756.26				756.26
Increase (Decrease) in Accounts Payable	21,165.46	(93,490.61)		740.00	(71,585.15)
Increase (Decrease) in Unearned Revenue	(7,239.53)				(7,239.53)
Increase (Decrease) in Interfund Payable	(6,583.84)				(6,583.84)
Increase (Decrease) in Compensated Absences	<u>(5,625.52)</u>				<u>(5,625.52)</u>
Total Adjustments	<u>53,244.42</u>	<u>(69,159.03)</u>	<u>-</u>	<u>800.81</u>	<u>(15,113.80)</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (2,058,448.75)</u></u>	<u><u>\$ (69,059.50)</u></u>	<u><u>\$ (1,218.48)</u></u>	<u><u>\$ 255.71</u></u>	<u><u>\$ (2,128,471.02)</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Food Distribution Program	<u><u>\$ 121,304.95</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 121,304.95</u></u>

LONG-TERM DEBT

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT  
Schedule of Serial Bonds  
For the Fiscal Year Ended June 30, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>June 30, 2023</u>			<u>June 30, 2024</u>
School District Bonds -- Series 2009	7-1-09	\$ 2,366,000.00				<u>\$ 169,000.00</u>	<u>-</u>	<u>\$ 169,000.00</u>	<u>\$ -</u>

TOWNSHIP OF GALLOWAY SCHOOL DISTRICT  
Schedule of Lease Liability  
For the Fiscal Year Ended June 30, 2024

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2023 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2024 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
20 Canon Copiers	5/1/2019	5 Years	\$ 831,203.47	\$ 52,056.53	2.52%	<u>\$ 145,537.18</u>	<u>\$ 618,215.40</u>	<u>\$ 301,451.21</u>	<u>\$ 462,301.37</u>

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



**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 107,928.00	-	\$ 107,928.00	\$ 107,928.00	-
State Sources:					
Debt Service Aid Type II	69,100.00	-	69,100.00	69,100.00	-
Total Revenues	177,028.00	-	177,028.00	177,028.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	8,028.00		8,028.00	8,027.50	\$ 0.50
Redemption of Principal	169,000.00		169,000.00	169,000.00	
Total Regular Debt Service	177,028.00	-	177,028.00	177,027.50	0.50
Total Expenditures	177,028.00	-	177,028.00	177,027.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.50	0.50
Fund Balance, July 1	0.17	-	0.17	0.17	\$ -
Fund Balance, June 30	\$ 0.17	-	\$ 0.17	\$ 0.67	\$ 0.50

STATISTICAL SECTION

## Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 25,092,830.18	\$ 27,172,643.63	\$ 27,485,058.84	\$ 27,312,158.54	\$ 26,674,200.29	\$ 26,792,240.78	\$ 27,274,364.12	\$ 28,142,115.88	\$ 29,430,670.78	\$ 29,504,631.91
Restricted	18,141,704.33	13,262,028.99	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31
Unrestricted (Deficit)	<u>(17,968,479.94)</u>	<u>(17,548,528.86)</u>	<u>(18,674,704.99)</u>	<u>(21,458,875.55)</u>	<u>(22,416,823.93)</u>	<u>(23,363,461.35)</u>	<u>(22,421,910.19)</u>	<u>(20,993,384.90)</u>	<u>(19,820,027.31)</u>	<u>(18,994,065.22)</u>
Total Governmental Activities Net Position	<u>\$ 25,266,054.57</u>	<u>\$ 22,886,143.76</u>	<u>\$ 21,796,508.52</u>	<u>\$ 18,407,919.59</u>	<u>\$ 18,141,432.12</u>	<u>\$ 18,526,361.34</u>	<u>\$ 19,261,298.04</u>	<u>\$ 19,838,637.91</u>	<u>\$ 22,391,082.07</u>	<u>\$ 20,621,251.00</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 536,546.00	\$ 401,035.66	\$ 136,033.59	\$ 158,120.21	\$ 177,397.97	\$ 168,549.74	\$ 179,396.66	\$ 158,034.86	\$ 127,487.57	\$ 87,711.45
Unrestricted (Deficit)	<u>994,445.72</u>	<u>1,331,131.40</u>	<u>2,076,700.76</u>	<u>1,052,514.24</u>	<u>1,016,107.29</u>	<u>1,071,212.65</u>	<u>947,213.43</u>	<u>775,299.78</u>	<u>523,149.07</u>	<u>367,730.64</u>
Total Business-type Activities Net Position	<u>\$ 1,530,991.72</u>	<u>\$ 1,732,167.06</u>	<u>\$ 2,212,734.35</u>	<u>\$ 1,210,634.45</u>	<u>\$ 1,193,505.26</u>	<u>\$ 1,239,762.39</u>	<u>\$ 1,126,610.09</u>	<u>\$ 933,334.64</u>	<u>\$ 650,636.64</u>	<u>\$ 455,442.09</u>
District-wide:										
Net Investment in Capital Assets	\$ 25,629,376.18	\$ 27,573,679.29	\$ 27,621,092.43	\$ 27,470,278.75	\$ 26,851,598.26	\$ 26,960,790.52	\$ 27,453,760.78	\$ 28,300,150.74	\$ 29,558,158.35	\$ 29,592,343.36
Restricted	18,141,704.33	13,262,028.99	12,986,154.67	12,554,636.60	13,884,055.76	15,097,581.91	14,408,844.11	12,689,906.93	12,780,438.60	10,110,684.31
Unrestricted (Deficit)	<u>(16,974,034.22)</u>	<u>(16,217,397.46)</u>	<u>(16,598,004.23)</u>	<u>(20,406,361.31)</u>	<u>(21,400,716.64)</u>	<u>(22,292,248.70)</u>	<u>(21,474,696.76)</u>	<u>(20,218,085.12)</u>	<u>(19,296,878.24)</u>	<u>(18,626,334.58)</u>
Total District-wide Net Position	<u>\$ 26,797,046.29</u>	<u>\$ 24,618,310.82</u>	<u>\$ 24,009,242.87</u>	<u>\$ 19,618,554.04</u>	<u>\$ 19,334,937.38</u>	<u>\$ 19,766,123.73</u>	<u>\$ 20,387,908.13</u>	<u>\$ 20,771,972.55</u>	<u>\$ 23,041,718.71</u>	<u>\$ 21,076,693.09</u>

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

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

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

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 16,914,649.35	\$ 17,372,686.76	\$ 17,515,407.49	\$ 17,271,859.78	\$ 17,713,813.06	\$ 17,336,129.69	\$ 17,172,218.19	\$ 16,933,499.34	\$ 16,118,409.83	\$ 16,460,049.90
Special Education	12,334,589.96	12,927,161.23	12,031,048.16	12,712,141.91	10,642,230.08	10,403,966.16	9,694,002.75	9,072,417.06	8,821,719.03	8,545,879.18
Other Special Education	2,197,480.83	2,716,459.19	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20
Other Instruction	89,507.03	91,937.27	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77
Tuition	2,254,828.64	1,727,649.13	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02
Support Services:										
Student and Instruction Related Services	8,220,358.51	9,001,876.09	8,552,008.59	8,457,412.60	7,462,237.38	6,608,268.56	5,966,902.42	6,308,933.43	6,170,609.09	5,471,561.47
School Administrative Services	2,589,421.44	2,114,582.63	1,966,336.92	1,935,307.83	1,980,956.71	2,013,880.77	1,938,561.91	1,975,011.39	1,888,409.27	1,973,497.26
Other Administrative Services	1,987,767.93	1,990,802.48	2,070,447.86	1,796,309.65	1,666,137.79	1,830,934.82	1,529,696.19	1,558,350.71	1,660,478.62	1,577,643.46
Plant Operations and Maintenance	6,495,231.80	5,334,059.08	5,546,351.96	6,113,359.79	5,067,347.92	4,790,989.68	4,955,231.87	4,806,520.07	4,196,660.48	3,772,617.40
Pupil Transportation	5,029,693.07	5,669,471.37	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95
Unallocated Benefits	21,502,578.65	21,028,980.56	24,376,795.01	33,242,278.82	25,802,227.32	28,222,468.95	32,953,923.31	27,978,164.49	22,244,578.29	18,989,270.29
Reimbursed TPAF and Social Security	2,095,291.91	2,142,251.38	2,053,568.53	2,019,094.59	1,967,211.78	1,944,126.01	1,886,175.94	4,161,311.54	6,001,746.94	5,166,151.40
Transfer to Charter School	708,328.00	856,903.00	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00
Interest on Long-term Debt	1,802.54	9,830.04	17,857.54	25,885.03	33,912.54	41,940.03	49,967.54	57,816.64	111,866.22	217,409.41
Unallocated Depreciation and Amortization	3,052.62	4,042.65	4,042.64	4,042.64	4,442.54	4,442.54	4,442.54	4,442.53	4,442.53	4,442.53
Total Governmental Activities Expenses	82,424,582.28	82,988,692.86	83,853,129.82	92,065,895.13	80,130,856.09	81,337,419.64	84,100,438.23	81,165,811.74	74,372,142.19	70,127,744.24
Business-type Activities:										
Food Service	2,546,958.48	2,763,468.76	2,411,147.32	1,975,326.38	2,057,092.22	2,025,396.47	1,989,769.36	1,823,089.03	1,719,418.70	1,670,911.59
Childcare Program	693,022.47	891,366.11	616,506.94	383,869.96	341,601.29	397,404.71	300,199.12	251,193.01	204,892.68	190,065.80
Gifted and Talented Consortium	24,070.98	26,414.63	13,067.73	494.80	27,665.70	25,112.04	27,398.76	30,069.93	31,768.46	30,375.65
Community Education	26,106.79	32,738.19	18,746.05	4,772.24	21,795.51	25,513.64	24,664.43	22,421.78	22,259.67	24,236.77
Total Business-type Activities Expense	3,290,158.72	3,713,987.69	3,059,468.04	2,364,463.38	2,448,154.72	2,473,426.86	2,342,031.67	2,126,773.75	1,978,339.51	1,915,589.81
Total District Expenses	\$ 85,714,741.00	\$ 86,702,680.55	\$ 86,912,597.86	\$ 94,430,358.51	\$ 82,579,010.81	\$ 83,810,846.50	\$ 86,442,469.90	\$ 83,292,585.49	\$ 76,350,481.70	\$ 72,043,334.05
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 17,291,193.53	\$ 18,399,683.00	\$ 22,730,049.62	\$ 28,907,978.68	\$ 17,952,120.95	\$ 20,088,558.38	\$ 24,698,039.18	\$ 21,721,635.62	\$ 18,121,470.70	\$ 14,017,721.69
Charges for Services	1,134,496.32	675,282.45	620,571.98	1,011,092.58	976,400.81	1,185,529.57	903,764.44	399,984.60	288,529.26	548,979.47
Total Governmental Activities Program Revenues	18,425,689.85	19,074,965.45	23,350,621.60	29,919,071.26	18,928,521.76	21,274,087.95	25,601,803.62	22,121,620.22	18,409,999.96	14,566,701.16
Business-type activities:										
Charges for Services:										
Food service	435,265.31	412,030.47	154,495.74	43,800.47	390,886.63	577,021.98	573,751.50	518,226.81	477,690.71	550,464.20
Childcare Program	693,122.00	815,509.49	699,051.08	234,860.19	413,292.38	438,733.49	384,134.05	394,271.15	395,483.55	394,120.24
Gifted and Talented Consortium	22,852.50	25,997.37	12,321.12		26,182.41	23,841.40	28,368.45	29,026.35	32,857.70	36,210.00
Community Education and Recreation	25,561.69	25,793.00	19,400.00	14,100.00	3,073.33	24,290.25	25,084.06	22,995.94	24,961.11	27,864.10
Operating Grants and Contributions	1,867,773.51	1,916,939.84	3,173,761.61	2,145,763.70	1,541,893.04	1,513,425.13	1,522,202.92	1,443,431.82	1,178,515.31	1,014,522.51
Total Business-type Activities Program Revenues	3,044,575.01	3,196,270.17	4,059,029.55	2,438,524.36	2,375,327.79	2,577,312.25	2,533,540.98	2,407,952.07	2,109,508.38	2,023,181.05
Total District Program Revenues	\$ 21,470,264.86	\$ 22,271,235.62	\$ 27,409,651.15	\$ 32,357,595.62	\$ 21,303,849.55	\$ 23,851,400.20	\$ 28,135,344.60	\$ 24,529,572.29	\$ 20,519,508.34	\$ 16,589,882.21
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (63,998,892.43)	\$ (63,913,727.41)	\$ (60,502,508.22)	\$ (62,146,823.87)	\$ (61,202,334.33)	\$ (60,063,331.69)	\$ (58,498,634.61)	\$ (59,044,191.52)	\$ (55,962,142.23)	\$ (55,561,043.08)
Business-type Activities	(245,583.71)	(517,717.52)	999,561.51	74,060.98	(72,826.93)	103,885.39	191,509.31	281,178.32	131,168.87	107,591.24
Total District-wide Net Expense	\$ (64,244,476.14)	\$ (64,431,444.93)	\$ (59,502,946.71)	\$ (62,072,762.89)	\$ (61,275,161.26)	\$ (59,959,446.30)	\$ (58,307,125.30)	\$ (58,763,013.20)	\$ (55,830,973.36)	\$ (55,453,451.84)

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 36,427,008.00	\$ 35,712,752.00	\$ 33,872,502.00	\$ 33,872,502.00	\$ 33,208,335.00	\$ 32,557,191.00	\$ 32,076,050.00	\$ 31,447,108.00	\$ 30,606,570.00	\$ 30,454,298.00
Taxes Levied for Debt Service	107,928.00	112,820.00	117,716.00	122,610.00	127,504.00	132,398.00	72,956.00		859,841.00	893,774.00
Restricted and Unrestricted Grants and Contributions	29,187,088.62	28,686,551.09	29,122,582.40	27,237,195.08	26,404,570.76	25,578,274.80	24,825,077.26	24,790,739.39	25,975,818.22	25,115,182.13
Other	656,778.62	491,239.56	497,063.71	1,193,864.14	1,076,995.35	1,060,531.19	947,211.48	253,899.97	296,839.81	302,466.90
Transfers									(7,095.73)	(91,462.97)
Total Governmental Activities	66,378,803.24	65,003,362.65	63,609,864.11	62,426,171.22	60,817,405.11	59,328,394.99	57,921,294.74	56,491,747.36	57,731,973.30	56,674,258.06
Business-type Activities:										
Investment Earnings	44,408.37	37,150.23	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	1,240.81	650.49
Insurance Recovery									55,689.14	
Transfers									7,095.73	89,815.38
Total Business-type Activities	44,408.37	37,150.23	2,538.39	28,132.26	26,569.80	9,266.91	1,766.14	1,519.68	64,025.68	90,465.87
Total District-wide	\$ 66,423,211.61	\$ 65,040,512.88	\$ 63,612,402.50	\$ 62,454,303.48	\$ 60,843,974.91	\$ 59,337,661.90	\$ 57,923,060.88	\$ 56,493,267.04	\$ 57,795,998.98	\$ 56,764,723.93
Change in Net Position:										
Governmental Activities	\$ 2,379,910.81	\$ 1,089,635.24	\$ 3,107,355.89	\$ 279,347.35	\$ (384,929.22)	\$ (734,936.70)	\$ (577,339.87)	\$ (2,552,444.16)	\$ 1,769,831.07	\$ 1,113,214.98
Business-type Activities	(201,175.34)	(480,567.29)	1,002,099.90	102,193.24	(46,257.13)	113,152.30	193,275.45	282,698.00	195,194.55	198,057.11
Total District	\$ 2,178,735.47	\$ 609,067.95	\$ 4,109,455.79	\$ 381,540.59	\$ (431,186.35)	\$ (621,784.40)	\$ (384,064.42)	\$ (2,269,746.16)	\$ 1,965,025.62	\$ 1,311,272.09

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

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

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

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:										
Restricted	\$ 13,610,475.03	\$ 13,451,740.65	\$ 11,962,631.55	\$ 11,411,017.50	\$ 10,795,818.10	\$ 13,222,079.29	\$ 12,411,386.67	\$ 12,556,470.45	\$ 11,708,926.30	\$ 9,351,513.26
Assigned	450,773.68	2,206,942.81	1,995,251.34	1,349,762.49	1,881,633.40	412,001.28	585,800.87	779,528.65	785,869.71	515,562.82
Unassigned (Deficit)	<u>(570,062.00)</u>	<u>(840,643.84)</u>	<u>566,908.39</u>	<u>709,356.34</u>	<u>(748,237.56)</u>	<u>(809,807.76)</u>	<u>(767,938.83)</u>	<u>(679,985.32)</u>	<u>(691,208.06)</u>	<u>(676,986.34)</u>
Total General Fund	<u>\$ 13,491,186.71</u>	<u>\$ 14,818,039.62</u>	<u>\$ 14,524,791.28</u>	<u>\$ 13,470,136.33</u>	<u>\$ 11,929,213.94</u>	<u>\$ 12,824,272.81</u>	<u>\$ 12,229,248.71</u>	<u>\$ 12,656,013.78</u>	<u>\$ 11,803,587.95</u>	<u>\$ 9,190,089.74</u>
All Other Governmental Funds:										
Restricted for:										
Capital Projects Fund	\$ 4,400,519.22	\$ 519.22	\$ 918,894.22	\$ 1,324,515.64	\$ 3,088,237.66	\$ 1,849,775.59	\$ 1,997,457.44	\$ 77,193.00	\$ 403,539.68	\$ 206,521.68
Special Revenue Fund	130,710.08	113,629.12	104,628.90	92,025.62		25,727.03		10,481.55	37,714.55	17,003.00
Debt Service Fund	0.67	0.17	1.17	0.67	0.67	0.17	0.17	64,336.67	169,000.99	169,000.49
Unassigned (Deficit):										
Special Revenue Fund	<u>(221,565.42)</u>	<u>(281,524.00)</u>	<u>(262,271.00)</u>	<u>(238,407.67)</u>	<u>(123,936.00)</u>		<u>(10,230.00)</u>			
Total All Other Governmental Funds	<u>\$ 4,309,664.55</u>	<u>\$ (167,375.49)</u>	<u>\$ 761,253.29</u>	<u>\$ 1,178,134.26</u>	<u>\$ 2,964,302.33</u>	<u>\$ 1,875,502.79</u>	<u>\$ 1,987,227.61</u>	<u>\$ 152,011.22</u>	<u>\$ 610,255.22</u>	<u>\$ 392,525.17</u>

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Tax Levy	\$ 36,534,936.00	\$ 35,825,572.00	\$ 33,990,218.00	\$ 33,995,112.00	\$ 33,335,839.00	\$ 32,689,589.00	\$ 32,149,006.00	\$ 31,447,108.00	\$ 31,466,411.00	\$ 31,348,072.00
Other Local Revenue	1,945,512.96	1,243,796.42	1,175,769.09	2,236,723.07	2,076,953.64	2,280,759.64	1,884,907.30	671,640.20	612,325.41	870,784.50
State Sources	48,200,798.65	46,218,425.97	46,526,446.79	42,397,420.79	38,055,211.73	35,560,219.05	32,831,493.10	31,922,693.83	32,153,496.62	30,547,534.71
Federal Sources	3,680,000.48	4,963,910.71	5,245,288.83	4,440,682.62	2,097,237.50	3,219,102.25	3,083,824.96	3,001,020.55	2,706,145.96	1,716,717.98
Total Revenue	90,361,248.09	88,251,705.10	86,937,722.71	83,069,938.48	75,565,241.87	73,749,669.94	69,949,231.36	67,042,462.58	66,938,378.99	64,483,109.19
<b>Expenditures:</b>										
Instruction										
Regular Instruction	15,955,496.87	16,354,046.42	16,293,670.37	16,142,916.11	16,542,435.29	16,162,043.93	15,933,709.30	15,826,528.93	14,772,242.99	15,169,722.05
Special Education Instruction	11,635,151.71	12,169,182.45	11,191,856.83	11,881,235.89	9,938,481.45	9,699,359.73	8,994,843.88	8,479,338.39	8,084,952.45	7,875,954.97
Other Special Instruction	2,197,480.83	2,716,459.19	2,476,111.99	2,070,622.44	1,654,160.67	1,650,436.15	1,528,507.57	1,598,612.04	1,511,246.77	1,701,396.20
Other Instruction	89,507.03	91,937.27	88,241.13	26,614.19	86,165.62	93,511.42	94,112.35	91,165.84	92,185.96	85,188.77
Tuition	2,254,828.64	1,727,649.13	1,502,504.25	1,417,219.35	1,678,637.56	1,763,643.76	1,919,143.81	2,478,283.73	1,872,064.22	1,600,168.02
Support Services:										
Student and Instruction Related Services	8,515,327.46	9,318,854.94	8,707,235.78	8,450,259.84	7,455,419.86	6,600,445.30	5,959,079.16	6,301,110.18	6,162,785.84	5,463,738.22
School Administrative Services	2,015,906.23	1,946,342.51	1,922,777.32	1,891,748.23	1,932,772.17	1,965,696.22	1,870,319.39	1,906,768.87	1,837,883.36	1,895,569.37
Other Administrative Services	2,008,334.93	2,004,874.58	2,064,482.55	1,989,921.30	1,871,167.84	2,028,401.00	1,701,278.62	1,631,612.82	1,679,821.37	1,557,776.35
Plant Operations and Maintenance	6,198,155.13	5,076,893.39	5,313,298.60	5,878,855.95	4,835,710.06	4,561,978.43	4,754,796.81	4,649,835.55	4,082,544.45	3,606,700.96
Pupil Transportation	5,029,693.07	5,669,471.37	4,915,598.75	4,317,634.51	3,906,639.12	4,273,246.10	4,018,290.84	3,820,698.93	3,631,093.94	3,823,458.95
Unallocated Benefits	14,788,396.65	14,300,523.69	13,911,910.01	14,353,055.82	13,639,263.32	13,364,224.95	12,442,120.31	11,825,764.49	12,406,634.29	11,805,331.29
On-behalf of Pension and Social Security	15,637,426.91	14,998,015.38	14,785,809.53	11,757,895.59	9,467,148.78	9,221,845.01	7,775,233.94	6,903,862.54	6,001,746.94	5,166,151.40
Transfers to Charter School	708,328.00	856,903.00	736,809.00	656,112.00	464,736.00	359,435.00	389,261.00	320,584.00	46,631.00	739,010.00
Debt Service:										
Principal	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	169,000.00	1,554,000.00	1,549,000.00
Interest and Other Charges	8,027.50	16,055.00	24,082.50	32,110.00	40,137.50	48,165.00	56,192.50	64,220.00	127,647.50	188,115.00
Capital Outlay		1,470,877.22	2,196,560.12	2,540,045.05	1,689,626.13	1,448,635.94	1,463,525.61	860,106.60	236,573.92	2,484,123.95
Total Expenditures	87,211,060.96	88,887,085.54	86,299,948.73	83,575,246.27	75,371,501.37	73,410,067.94	69,069,415.09	66,927,492.91	64,100,055.00	64,711,405.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,150,187.13	(635,380.44)	637,773.98	(505,307.79)	193,740.50	339,602.00	879,816.27	114,969.67	2,838,323.99	(228,296.31)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)						143,697.28	528,635.05	279,212.16		(1,647.59)
Accounts Receivable/Payable Canceled										(89,815.38)
Transfers Out									(7,095.73)	
Total Other Financing Sources (Uses)	-	-	-	-	-	143,697.28	528,635.05	279,212.16	(7,095.73)	(91,462.97)
Net Change in Fund Balances	\$ 3,150,187.13	\$ (635,380.44)	\$ 637,773.98	\$ (505,307.79)	\$ 193,740.50	\$ 483,299.28	\$ 1,408,451.32	\$ 394,181.83	\$ 2,831,228.26	\$ (319,759.28)
Debt Service as a Percentage of Noncapital Expenditures	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.4%	2.6%	2.8%

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

Source: District Records



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

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Rentals	\$ 2,639.21	\$ 7,462.39	\$ 4,132.41		\$ 6,247.29	\$ 9,082.69	\$ 10,733.97	\$ 22,456.79		
Recycling/Scrap		224.10	584.50		244.50	408.00				
Restitution			50,000.00					2,544.00	\$ 1,066.61	\$ 1,176.00
Miscellaneous Refunds		2,768.33	18,410.93	\$ 52,433.52						
Energy Credits	27,263.36	33,476.86	101,120.28	58,617.90	87,260.96	59,549.67	78,909.07	75,394.54	108,427.80	131,072.70
Insurance Refunds	6,000.00		107,842.00	13,359.00	1,000.00	575,147.00	499,922.00			
PILOT Agreement with Township					31,599.30	31,600.34	94,800.34			
Childcare Rent	75,000.00	75,000.00				50,000.00	45,000.00			
Shared Service Agreements		20,751.62			129,518.72	34,377.26				
Rebates		1,000.00	111,024.08	226,225.19	86,868.96	84,904.42	50,656.18	86,636.70	120,373.44	107,318.27
Other	52,026.79		76,603.90	88,214.49	48,727.75	64,601.37	94,173.86	41,905.05	23,489.23	10,517.14
Sale of Board Assets	6,207.00	443.68	2,910.00	368,672.75	2,395.00	13,487.00				
Cancellation of Outstanding Checks	16,610.37			433.26	459.61		171.44			
Prior Year Refunds	52,942.94	135,400.35	80.00		338,600.54	14,660.27	48,771.45	3,881.29	23,783.26	28,315.68
Interest Earned on Deposits	418,088.95	234,129.03	24,355.61	385,908.13	344,072.72	122,713.17	24,073.17	21,081.60	19,699.47	16,797.50
Total Miscellaneous Revenues	<u>\$ 656,778.62</u>	<u>\$ 510,656.36</u>	<u>\$ 497,063.71</u>	<u>\$ 1,193,864.24</u>	<u>\$ 1,076,995.35</u>	<u>\$ 1,120,306.19</u>	<u>\$ 947,211.48</u>	<u>\$ 253,899.97</u>	<u>\$ 296,839.81</u>	<u>\$ 302,466.90</u>

Source: District Records

## Revenue Capacity Information

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

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

Year Ended Dec. 31	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized ) Value	Total Direct School Tax Rate (2)
2024	\$ 57,800,200.00	\$ 2,308,452,000.00	\$ 33,302,400.00	\$ 335,843,500.00	\$ 3,166,000.00	\$ 57,237,600.00	\$ 2,795,801,700.00		\$ 2,795,801,700.00	\$ 855,753,000.00	\$ 4,116,315,959.95	\$ 1.318
2023	57,691,000.00	2,257,470,100.00	32,899,000.00	341,291,300.00	3,166,000.00	57,237,600.00	2,749,755,000.00		2,749,755,000.00	853,217,300.00	3,608,128,985.00	1.316
2022	59,256,000.00	2,253,153,100.00	31,864,600.00	339,196,700.00	3,166,000.00	54,683,900.00	2,741,320,300.00		2,741,320,300.00	839,748,397.00	2,952,736,320.55	1.273
2021	60,417,000.00	2,246,523,300.00	30,668,900.00	344,534,900.00	3,166,000.00	54,683,900.00	2,739,994,000.00		2,739,994,000.00	829,994,697.00	2,951,307,734.00	1.240
2020	62,434,800.00	2,235,599,000.00	30,475,100.00	341,748,400.00	3,170,300.00	54,683,900.00	2,728,111,500.00		2,728,111,500.00	810,569,697.00	2,880,688,068.00	1.234
2019	63,699,700.00	2,228,850,700.00	30,500,600.00	332,914,600.00	3,170,300.00	54,683,900.00	2,713,819,800.00		2,713,819,800.00	804,458,997.00	2,746,781,275.00	1.217
2018	69,010,600.00	2,218,978,600.00	34,010,200.00	314,252,000.00	3,170,300.00	54,683,900.00	2,694,105,600.00		2,694,105,600.00	821,892,897.00	2,752,457,703.00	1.204
2017	71,322,300.00	2,221,750,400.00	33,342,000.00	301,982,900.00	3,470,300.00	61,759,900.00	2,693,627,800.00		2,693,627,800.00	825,423,097.00	2,765,815,587.00	1.180
2016	73,359,300.00	2,222,039,900.00	33,292,800.00	300,913,700.00	6,880,600.00	61,759,900.00	2,698,246,200.00		2,698,246,200.00	820,214,597.00	2,915,132,022.00	1.165
2015	75,290,000.00	2,223,810,300.00	33,028,300.00	303,890,100.00	7,080,600.00	61,759,900.00	2,704,859,200.00	\$ 5,670,946.00	2,710,530,146.00	819,831,440.00	2,995,060,935.00	1.158

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

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

Source: Atlantic County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Galloway	Atlantic County	
2024	\$ 1.314	\$ 0.004	\$ 1.318	\$ 0.713	\$ 0.657	\$ 0.650	\$ 3.338
2023	1.312	0.004	1.316	0.711	0.646	0.653	3.326
2022	1.269	0.004	1.273	0.719	0.613	0.606	3.211
2021	1.236	0.004	1.240	0.708	0.614	0.585	3.147
2020	1.229	0.005	1.234	0.685	0.615	0.563	3.097
2019	1.212	0.005	1.217	0.658	0.617	0.548	3.040
2018	1.201	0.003	1.204	0.694	0.619	0.566	3.083
2017	1.180	-	1.180	0.688	0.642	0.573	3.083
2016	1.133	0.032	1.165	0.673	0.663	0.555	3.056
2015	1.125	0.033	1.158	0.662	0.673	0.549	3.042

(1) Revaluation

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Galloway Apartments, LLC	\$ 37,000,000.00	1	1.32%	\$ 37,000,000.00	2	1.37%
Marriott Ownership Resorts Inc	34,453,500.00	2	1.23%	39,425,200.00	1	1.45%
JSM at Galloway, LLC	34,000,000.00	3	1.22%	31,041,300.00	3	1.15%
Galloway Sen Prop	10,369,500.00	4	0.37%	10,369,500.00	4	0.38%
One Madison LLC	10,203,300.00	5	0.36%			
300 E. Jimmie Leeds Rd	10,150,000.00	6	0.36%	9,200,000.00	5	0.34%
Seaview Resort Acquisition Group LLC	9,927,000.00	7	0.36%			
Galloway Real Property, LLC	7,600,000.00	8	0.27%	7,800,000.00	7	0.29%
Towne of Historic Smithville LLC	6,066,300.00	9	0.22%			
Galloway National Golf Club	6,054,100.00	10	0.22%	7,883,500.00	6	0.29%
Route 27 Acquisition LLC				7,275,000.00	8	0.27%
N.J. Bell Telephone				6,574,346.00	9	0.24%
Ole Hansen & Son Blue Heron				5,859,000.00	10	0.22%
Total	<u>\$ 165,823,700.00</u>		<u>4.61%</u>	<u>\$ 162,427,846.00</u>		<u>5.99%</u>

Source: Municipal Tax Assessor

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Property Tax Levies and Collections

Last Ten Fiscal Years

*Unaudited*


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<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2024	\$ 36,534,936.00	\$ 36,534,936.00	100.00%	
2023	35,825,572.00	35,825,572.00	100.00%	
2022	33,990,218.00	33,990,218.00	100.00%	
2021	33,872,502.00	33,872,502.00	100.00%	
2020	33,208,335.00	33,208,335.00	100.00%	
2019	32,689,589.00	32,689,589.00	100.00%	
2018	32,149,006.00	32,149,006.00	100.00%	
2017	31,447,108.00	31,447,108.00	100.00%	
2016	31,466,411.00	31,466,411.00	100.00%	
2015	31,348,072.00	31,348,072.00	100.00%	

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

Source: District Records

## Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District Debt	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Financed Purchases (1)	Lease Liability (1)			
2024			\$ 462,301.37	\$ 462,301.37	Unavailable	Unavailable
2023	\$ 169,000.00	\$ 20,567.00	145,537.18	335,104.18	Unavailable	\$ 8.85
2022	338,000.00	30,121.20	468,998.29	837,119.49	0.04%	22.07
2021	507,000.00	144,318.51		651,318.51	0.03%	18.35
2020	676,000.00	331,747.70		1,007,747.70	0.06%	28.31
2019	845,000.00	531,996.06		1,376,996.06	0.08%	38.50
2018	1,014,000.00	588,120.98		1,602,120.98	0.10%	44.54
2017	1,183,000.00	241,724.66		1,424,724.66	0.09%	39.30
2016	1,352,000.00	43,643.70		1,395,643.70	0.09%	38.08
2015	2,906,000.00	64,158.67		2,970,158.67	0.18%	80.22

## Sources:

(1) District Records

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

(3) Per Capita personal income by municipality-estimated based upon the 2020 Census published



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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2023		-			Unavailable
2022	\$ 169,000.00	-	\$ 169,000.00	0.01%	\$ 4.46
2021	338,000.00	-	338,000.00	0.01%	8.91
2020	507,000.00	-	507,000.00	0.02%	14.29
2019	676,000.00	-	676,000.00	0.02%	18.99
2018	845,000.00	-	845,000.00	0.03%	23.63
2017	1,014,000.00	-	1,014,000.00	0.04%	28.19
2016	1,183,000.00	-	1,183,000.00	0.04%	32.63
2015	1,352,000.00	-	1,352,000.00	0.05%	36.88
2014	2,906,000.00	-	2,906,000.00	0.11%	78.49

**Sources:**

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2023  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Galloway Township</u>
Municipal Debt: (1)				
Galloway Township School District	\$ 169,000.00	\$ 169,000.00		
Galloway Township	<u>23,803,885.53</u>	<u>16,382,041.53</u>	<u>\$ 7,421,844.00</u>	<u>\$ 7,421,844.00</u>
	<u>23,972,885.53</u>	<u>16,551,041.53</u>	<u>7,421,844.00</u>	<u>7,421,844.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Atlantic: (2)				
General:				
Bonds	150,540,000.00	11,445,000.00	139,095,000.00	12,630,148.35
Loans	53,266.00		53,266.00	4,836.68
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>58,395,000.00</u>	<u>58,395,000.00</u>		
	<u>208,988,266.00</u>	<u>69,840,000.00</u>	<u>139,148,266.00</u>	<u>12,634,985.03</u>
	<u><u>\$ 232,961,151.53</u></u>	<u><u>\$ 86,391,041.53</u></u>	<u><u>\$ 146,570,110.00</u></u>	<u><u>\$ 20,056,829.03</u></u>

## Sources:

- (1) 2023 Annual Debt Statement
- (2) County's 2023 Annual Debt Statement
- (3) Includes County College Bonds
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2023 Equalized Value, which is 9.08%.  
The source for this computation was the 2023 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis (1)	
\$ 4,048,520,318.00	2023
3,597,061,147.00	2022
3,176,804,638.00	2021
<u>\$ 10,822,386,103.00</u>	
<u>\$ 3,607,462,034.33</u>	Average equalized valuation of taxable property
\$ 108,223,861.03	Debt limit (3% of average equalization value) (2)
-	Total Net Debt Applicable to Limit
<u>\$ 108,223,861.03</u>	Legal Debt Margin

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 108,223,861.03	\$ 97,122,667.97	\$ 89,809,076.56	\$ 85,309,305.48	\$ 83,444,990.91	\$ 82,493,548.42	\$ 84,448,038.89	\$ 86,841,166.54	\$ 90,018,699.83	\$ 93,255,591.53
Total net debt applicable to limit (3)	<u>-</u>	<u>169,000.00</u>	<u>338,000.00</u>	<u>507,000.00</u>	<u>676,000.00</u>	<u>845,000.00</u>	<u>1,014,000.00</u>	<u>1,183,000.00</u>	<u>1,352,000.00</u>	<u>2,906,000.00</u>
Legal debt margin	<u>\$ 108,223,861.03</u>	<u>\$ 96,953,667.97</u>	<u>\$ 89,471,076.56</u>	<u>\$ 84,802,305.48</u>	<u>\$ 82,768,990.91</u>	<u>\$ 81,648,548.42</u>	<u>\$ 83,434,038.89</u>	<u>\$ 85,658,166.54</u>	<u>\$ 88,666,699.83</u>	<u>\$ 90,349,591.53</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.17%	0.38%	0.59%	0.81%	1.02%	1.20%	1.36%	1.50%	3.12%

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

## Demographic and Economic Information

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

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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2024	37,876	Unavailable	Unavailable	5.3%
2023	37,870	\$ 2,117,614,660.00	\$ 55,918.00	4.5%
2022	37,925	2,211,406,750.00	58,310.00	8.2%
2021	35,487	1,980,245,574.00	55,802.00	16.5%
2020	35,596	1,802,261,076.00	50,631.00	4.4%
2019	35,763	1,740,513,684.00	48,668.00	5.1%
2018	35,967	1,674,227,883.00	46,549.00	6.3%
2017	36,250	1,638,173,750.00	45,191.00	6.6%
2016	36,655	1,625,465,975.00	44,345.00	8.5%
2015	37,026	1,613,963,340.00	43,590.00	9.5%

Sources:

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

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

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Atlantic City Medical Center				3,500	1	19%
Federal Aviation Administration				3,000	2	16%
Richard Stockton College				840	3	4%
Marriott Corporation / Marriott Country Club				550	4	3%
Betty Bacharach Rehabilitation Center				525	5	3%
Ole Hansen & Sons			Information Unavailable	400	6	2%
Renault Winery				290	7	2%
Village of Smithville				200	8	1%
Blue Heron Pines				Unavailable	9	Unavailable
Lenox China				Unavailable	10	Unavailable
	<u>                    </u>		<u>                    </u>	<u>                    </u>		<u>                    </u>
	<u>                    </u>		<u>                    </u>	<u>                    </u>		<u>                    </u>
	-		-	9,305		49.81%

## Operating Information

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

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction										
Regular	217	224	208	219	231	230	226	208	213	205
Special education	75	74	82	77	83	84	86	79	88	85
Other special education	28	40	93	55	39	39	40	37	49	47
Other instruction	27	17	33	33	32	31	32	30	31	30
Support Services:										
Student & instruction related services	112	117	82	99	98	101	91	80	71	68
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	24	24	24	24	24	24	24	24	24	23
Business administrative services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	44	44	48	46	46	46	46	45	50	48
Pupil transportation	1	1	1	1	2	2	2	2	2	2
Food Service	40	44	44	45	48	48	40	25	25	24
Community Education and Recreation	0	0	0	0	0	1	1	2	2	2
Total	<u>577</u>	<u>594</u>	<u>624</u>	<u>608</u>	<u>612</u>	<u>615</u>	<u>597</u>	<u>541</u>	<u>564</u>	<u>543</u>

Source: District Records



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

Fiscal Year Ended June 30,	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>				
2024	3,247	\$ 87,034,033.46	\$ 26,804.45	4.04%	348	11.1/1	10.9/1	3,077.9	2,890.1	0.00%	93.90%
2023	3,256	87,231,153.32	26,790.89	3.99%	355	11.2/1	11.2/1	3,059.9	2,860.9	-0.58%	93.50%
2022	3,257	83,910,306.11	25,763.07	6.13%	416	11.4/1	10.7/1	3,077.8	2,890.1	-2.43%	93.90%
2021	3,330	80,834,091.22	24,274.50	10.45%	384	11.8/1	10.6/1	3,154.6	3,013.8	-4.91%	95.54%
2020	3,343	73,472,737.74	21,978.08	1.49%	385	10.9/1	10.3/1	3,317.5	3,204.7	0.48%	96.60%
2019	3,313	71,744,267.00	21,655.38	6.96%	384	11.0/1	11.0/1	3,301.8	3,138.8	-0.26%	95.06%
2018	3,328	67,380,696.98	20,246.60	2.04%	384	11.1/1	11.1/1	3,310.6	3,148.0	0.66%	95.09%
2017	3,318	65,834,166.31	19,841.52	5.27%	354	11.2/1	11.2/1	3,288.8	3,138.0	0.16%	95.41%
2016	3,299	62,181,833.58	18,848.69	2.27%	354	11.3/1	11.3/1	3,283.7	3,141.5	0.47%	95.67%
2015	3,282	60,490,166.55	18,430.89	8.97%	341	9.6/1	9.6/1	3,268.4	3,126.4	-2.14%	95.66%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Arthur Rann (1965,1978,1984,1987)										
Square Feet	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531	71,531
Capacity (students)	740	740	740	740	740	740	740	740	740	740
Enrollment	676	642	643	664	676	680	656	689	689	647
Oceanville (1927,1953)										
Square Feet	n/a	n/a	n/a	n/a	14,260	14,260	14,260	14,260	14,260	14,260
Capacity (students)	n/a	n/a	n/a	n/a	180	180	180	180	180	180
Enrollment	sold	sold	sold	sold	(A)	(A)	(A)	(A)	(A)	(A)
Pomona (1930,1965,1979)										
Square Feet	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838	16,838
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	112	107	106	97	119	132	132	130	119	107
Reeds Road School (1988)										
Square Feet	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643	71,643
Capacity (students)	787	787	787	787	787	787	787	787	787	787
Enrollment	543	493	493	490	542	559	567	557	605	613
Roland Rogers School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	573	547	540	534	573	563	532	540	525	535
Smithville School (1991)										
Square Feet	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211	92,211
Capacity (students)	760	760	760	760	760	760	760	760	760	760
Enrollment	602	578	579	579	663	629	683	648	628	621
<b><u>Middle School</u></b>										
Galloway Township Middle School (2000)										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	741	723	735	727	770	750	758	754	755	759

Number of Schools at June 30, 2024

  Elementary = 5

  Middle School = 1

  High School = 0

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

Source: District Records

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

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

* School Facilities	Project #	Fiscal Year Ended June 30,									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Galloway Middle School	016	\$ 412,551.38	\$ 270,540.27	\$ 346,053.55	\$ 596,541.81	\$ 373,724.34	\$ 271,016.39	\$ 257,364.89	\$ 510,462.77	\$ 306,503.65	\$ 151,017.05
Arthur Rann	015	252,154.73	181,968.17	242,169.22	314,482.43	162,546.94	215,652.26	229,313.71	176,055.14	125,139.76	103,854.19
Cologne	020					575.09	98.00			153.61	656.14
Oceanville	030	19,891.42	7,994.20	30,541.62	19,659.78	76,299.25	78,168.90	74,797.41	29,072.02	22,815.66	25,073.65
Pomona	040	49,825.71	60,948.82	64,614.78	142,440.26	101,143.74	72,292.36	48,391.18	58,844.05	73,475.79	46,344.57
Reeds Road	045	365,783.18	131,179.81	269,602.14	409,118.34	256,909.50	270,243.10	179,913.19	266,186.14	203,176.52	117,862.59
Roland Rogers	046	256,602.27	109,437.38	197,405.86	362,051.73	168,546.71	133,714.66	267,890.62	172,711.77	101,641.46	91,543.61
Smithville	048	410,545.58	160,166.06	297,194.92	333,756.51	203,290.54	122,425.55	335,267.62	155,460.75	123,571.97	116,362.45
South Egg Harbor	050						26.13	242.30	1,187.75	426.69	705.35
Administration	999	90,624.91	44,913.87	79,424.08	198,222.95	57,933.31	42,066.17	112,073.32	49,859.03	38,009.46	54,082.07
Total School Facilities		1,857,979.18	967,148.58	1,527,006.17	2,376,273.81	1,400,969.44	1,205,703.52	1,505,254.26	1,419,839.44	994,914.57	707,501.67
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 1,857,979.18	\$ 967,148.58	\$ 1,527,006.17	\$ 2,376,273.81	\$ 1,400,969.44	\$ 1,205,703.52	\$ 1,505,254.26	\$ 1,419,839.44	\$ 994,914.57	\$ 707,501.67

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

Source: District Records

## TOWNSHIP OF GALLOWAY SCHOOL DISTRICT

Insurance Schedule

June 30, 2024

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Atlantic &amp; Cape May Counties Association of Joint Insurance Fund</b>		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000.00	\$ 500.00
Crime - JIF Self Insured Retention	250,000.00	500.00
General Liability / Auto Liability - JIF Self Insured Retention	250,000.00	
Educator's Legal Liability - JIF Self Insured Retention	250,000.00	
Workers' Compensation - JIF Self Insured Retention	250,000.00	
<b>School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)</b>		
Property / Inland Marine / Automobile Physical Damage	175,000,000.00	
Crime	500,000.00	
Workers Compensation	Statutory	
General Liability / Auto Liability	27,000,000.00	
Educators' Legal Liability	27,000,000.00	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000.00	1,000.00
<b>Beazley / Lloyd's of London</b>		
Pollution Legal Liability	3,000,000.00	25,000.00
Member District Deductible - Mold Incident		100,000-250,000
<b>Starr Surplus Lines Ins. Co.</b>		
Cyber Liability	2,000,000.00	50,000-100,000
<b>Lloyd's of London</b>		
Crisis Protection & Disaster Management Services	1,000,000.00	10,000.00
<b>Non-JIF Coverage</b>		
Selective Insurance Company of America:		
Business Administrator/Board Secretary	297,000.00	
<b><u>Excess and Reinsurance Carriers Involved</u></b>		
Property and Crime:		
ACCASBO JIF, SPELL JIF		
General Liability and Automobile Liability:		
SPELL JIF, Great American Insurance Company,		
General Reinsurance Corp.		
Workers Compensation:		
SPELL JIF, Great American Insurance Company,		
Safety National Casualty Corp.		
Educators Legal Liability:		
SPELL JIF, Great American Insurance Company,		
General Reinsurance Corp.		

Source: District Records

## SINGLE AUDIT SECTION

**Exhibit K-1**

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Galloway School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 8, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

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

Voorhees, New Jersey  
January 8, 2025

**Exhibit K-2****REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program*****Opinion on Each Major Federal and State Program***

We have audited the Township of Galloway School District's, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2024. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Township of Galloway School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

***Basis for Opinion on Each Major Federal and State Program***

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

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



***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control over Compliance**

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

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

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

Voorhees, New Jersey  
January 8, 2025

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**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2024

Pass-through Grantor/Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2023
						From	To	
General Fund								
U.S. Department of Homeland Security:								
Passed-through the State Department of Law and Public Safety:								
Disaster Grants - Public Assistance - Presidentially Declared Disasters	97.036	COVID-19	Unavailable	Unavailable	\$ 32,633.05	7-1-23	6-30-24	-
U.S. Department of Health and Human Services:								
Passed-through the State Department of Human Services:								
Medicaid Cluster:								
Medical Assistance Program	93.778	N/A	2005NJ5MAP	N/A	184,429.14	7-1-23	6-30-24	-
Total Medical Assistance Program (Medicaid) Cluster								-
Total General Fund and U.S. Department of Health and Human Services								-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A220030	NCLB169023	862,287.00	7-1-22	9-30-23	\$ (233,406.62)
Title I, Part A Grants to Local Educational Agencies	84.010	N/A	S010A230030	NCLB169024	978,254.00	7-1-23	9-30-24	
Title I, Part A Grants to Local Educational Agencies - Distinguished Schools Program	84.010	N/A	Unknown	Unknown	15,000.00	7-1-22	9-30-23	51.18
Total Title I, Part A Grants to Local Educational Agencies								(233,355.44)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A220029	NCLB169023	130,212.00	7-1-22	9-30-23	(28,589.00)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367A	N/A	S367A230029	NCLB169024	124,154.00	7-1-23	9-30-24	
Total Supporting Effective Instruction State Grants (Title II, Part A) ESSA								(28,589.00)
English Language Acquisition (Title III)	84.365	N/A	S365A220030	NCLB169023	23,319.00	7-1-22	9-30-23	(25,964.00)
English Language Acquisition (Title III)	84.365	N/A	S365A230030	NCLB169024	19,294.00	7-1-23	9-30-24	
English Language Acquisition (Title III, Immigrant)	84.365	N/A	S365A230030	NCLB169024	6,875.00	7-1-23	9-30-24	
Total English Language Acquisition (Title III)								(25,964.00)
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A220031	NCLB169023	54,567.00	7-1-22	9-30-23	(21,700.00)
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	N/A	S424A230031	NCLB169024	65,286.00	7-1-23	9-30-24	
Total Title IV - Student Support and Academic Enrichment (ESSA)								(21,700.00)
I.D.E.A. Part B:								
Special Education Cluster:								
Special Education Grants to States (IDEA Basic)	84.027A	N/A	H027A220100	FT169023	954,748.00	7-1-22	9-30-23	(155,506.00)
Special Education Grants to States (IDEA Basic)	84.027A	N/A	H027A230100	FT169024	1,031,025.00	7-1-23	9-30-24	
American Rescue Plan - IDEA Basic	84.027X	COVID-19; 84.027X	H027X210100	Unavailable	188,436.00	7-1-21	9-30-22	(1,833.00)
Total Special Education Grants to States (IDEA Basic)								(157,339.00)
Special Education Preschool Grants (IDEA Preschool)	84.173A	N/A	H173A220114	PS169023	43,945.00	7-1-22	9-30-23	(15,129.00)
Special Education Preschool Grants (IDEA Preschool)	84.173A	N/A	H173A230114	PS169024	44,046.00	7-1-23	9-30-24	
American Rescue Plan - IDEA Preschool	84.173X	COVID-19; 84.173X	H173X210114	Unavailable	16,018.00	7-1-21	9-30-22	(1,481.00)
Total Special Education Preschool Grants (IDEA Preschool)								(16,610.00)
Total I.D.E.A. Part B Special Education Cluster								(173,949.00)
Educational Stabilization Fund:								
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	COVID-19; 84.425D	S425D210027	Unavailable	2,188,936.00	3-13-20	9-30-23	(127,224.00)
Elementary and Secondary School Emergency Relief Fund (Learning Acceleration)	84.425D	COVID-19; 84.425D	S425D210027	Unavailable	140,475.00	3-13-20	9-30-23	(48,569.00)
Elementary and Secondary School Emergency Relief Fund (Mental Health)	84.425D	COVID-19; 84.425D	S425D210027	Unavailable	45,000.00	3-13-20	9-30-23	(1,449.00)
American Rescue Plan ESSER III	84.425U	COVID-19; 84.425U	S425U210027	Unavailable	4,919,493.00	3-13-20	9-30-24	(1,118,394.58)
American Rescue Plan ESSER Accelerated Learning Coach & Educator Support	84.425U	COVID-19; 84.425U	S425U210027	Unavailable	322,721.00	3-13-20	9-30-24	(190.57)
American Rescue Plan ESSER Evidence Based Summer Learning & Enrichment	84.425U	COVID-19; 84.425U	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	
American Rescue Plan ESSER Evidence Based Comprehensive Beyond the School Day	84.425U	COVID-19; 84.425U	S425U210027	Unavailable	40,000.00	3-13-20	9-30-24	(16,564.19)
American Rescue Plan ESSER NJTSS Mental Health Support Staffing	84.425U	COVID-19; 84.425U	S425U210027	Unavailable	45,000.00	3-13-20	9-30-24	0.13
American Rescue Plan ESSER Homeless II	84.425W	COVID-19; 84.425U	S425W210031	Unavailable	44,874.00	3-13-20	9-30-24	(27,437.29)
Total Elementary and Secondary School Emergency Relief Fund								(1,339,828.50)
Total U.S. Department of Education - Passed-through State Department of Education								(1,823,385.94)
Total Special Revenue Fund and U.S. Department of Education								(1,823,385.94)
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	N/A	231NJ304N1199	Unavailable	509,058.03	10-1-22	9-30-23	(31,618.13)
School Breakfast Program	10.553	N/A	241NJ304N1199	Unavailable	462,734.91	10-1-23	9-30-24	
Total School Breakfast Program								(31,618.13)
National School Lunch Program - Commodities (Noncash)	10.555	N/A	241NJ304N1199	Unavailable	121,304.95	7-1-23	6-30-24	
National School Lunch Program	10.555	N/A	231NJ304N1099	Unavailable	1,179,905.84	10-1-22	9-30-23	(74,905.11)
National School Lunch Program	10.555	N/A	241NJ304N1199	Unavailable	958,466.60	10-1-23	9-30-24	
After School Snack Program	10.555	N/A	231NJ304N1099	Unavailable	33,751.53	10-1-22	9-30-23	(1,253.88)
After School Snack Program	10.555	N/A	241NJ304N1199	Unavailable	31,167.63	10-1-23	9-30-24	
Supply Chain Assistance	10.555	COVID-19	231NJ344N8903	Unavailable	75,801.91	10-1-22	9-30-24	
Total National School Lunch Program								(76,158.99)
Summer Food Service Program for Children - Administration	10.559	N/A	231NJ304N1199	Unavailable	1,297.57	10-1-22	9-30-23	
Summer Food Service Program for Children	10.559	N/A	231NJ304N1199	Unavailable	12,785.11	10-1-22	9-30-23	-
Total Summer Food Service Program for Children								-
Total Child Nutrition Cluster								(107,777.12)
P-EBT Administrative Cost Reimbursement	10.649	COVID-19	202225900941	Unavailable	3,256.00	7-1-23	6-30-24	
Total P-EBT Administrative Cost Reimbursement								-
Total Enterprise Fund and U.S. Department of Agriculture								(107,777.12)
Total Federal Financial Assistance								\$ (1,931,163.06)

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Carry-over Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2024		Due to Grantor
		Pass-through Funds	Direct Funds	Total Budgetary Expenditures				Accounts Receivable	Unearned Revenue	
-	\$ 32,633.05	\$ 32,633.05	-	\$ 32,633.05	-	-	-	-	-	-
-	184,429.14	184,429.14	-	184,429.14	-	-	-	-	-	-
-	184,429.14	184,429.14	-	184,429.14	-	-	-	-	-	-
-	217,062.19	217,062.19	-	217,062.19	-	-	-	-	-	-
-	234,339.00 554,042.00	932.38 938,352.01 51.18	-	932.38 938,352.01 51.18	-	-	-	\$ (486,674.00)	\$ 102,363.99	-
-	788,381.00	939,335.57	-	939,335.57	-	-	-	(486,674.00)	102,363.99	-
-	28,589.00 90,982.00	138,203.33	-	138,203.33	-	-	-	(55,595.00)	8,373.67	-
-	119,571.00	138,203.33	-	138,203.33	-	-	-	(55,595.00)	8,373.67	-
-	25,964.00 2,851.00 6,262.00	8,191.03 6,261.58	-	8,191.03 6,261.58	-	-	-	(18,631.00) (3,214.00)	13,290.97 3,214.42	-
-	35,077.00	14,452.61	-	14,452.61	-	-	-	(21,845.00)	16,505.39	-
-	21,700.00 54,241.00	97,975.82	-	97,975.82	-	-	-	(59,459.00)	15,724.18	-
-	75,941.00	97,975.82	-	97,975.82	-	-	-	(59,459.00)	15,724.18	-
-	155,506.00 897,239.00 1,833.00	1,015,476.07	-	1,015,476.07	-	-	-	(180,571.00)	62,333.93	-
-	1,054,578.00	1,015,476.07	-	1,015,476.07	-	-	-	(180,571.00)	62,333.93	-
-	15,129.00 8,563.00 1,481.00	49,064.76	-	49,064.76	-	-	-	(42,972.00)	2,470.24	-
-	25,173.00	49,064.76	-	49,064.76	-	-	-	(42,972.00)	2,470.24	-
-	1,079,751.00	1,064,540.83	-	1,064,540.83	-	-	-	(223,543.00)	64,804.17	-
-	127,224.00 48,569.00 1,449.00 1,489,770.00 72,416.00 33,223.00 29,242.00 12,046.00 27,664.00	968,990.15 184,513.87 38,631.44 23,303.31 22,568.60 8,263.46	-	968,990.15 184,513.87 38,631.44 23,303.31 22,568.60 8,263.46	-	-	-	(914,524.00) (147,729.00) (6,777.00) (10,758.00) (25,343.00) (15,065.00)	316,909.27 35,440.56 1,368.56 132.50 14,820.53 7,028.25	-
-	1,841,603.00	1,246,270.83	-	1,246,270.83	-	-	-	(1,120,196.00)	375,699.67	-
-	3,940,324.00	3,500,778.99	-	3,500,778.99	-	-	-	(1,967,312.00)	583,471.07	-
-	3,940,324.00	3,500,778.99	-	3,500,778.99	-	-	-	(1,967,312.00)	583,471.07	-
-	76,372.95 371,995.50	44,754.82 462,734.91	-	44,754.82 462,734.91	-	-	-	(90,739.41)	-	-
-	448,368.45	507,489.73	-	507,489.73	-	-	-	(90,739.41)	-	-
-	121,304.95 165,138.21 765,369.55 3,941.37 26,040.69 75,801.91	121,304.95 90,233.10 958,466.60 2,687.49 31,167.63 75,801.91	-	121,304.95 90,233.10 958,466.60 2,687.49 31,167.63 75,801.91	-	-	-	(193,097.05) (5,126.94)	-	-
-	1,157,596.68	1,279,661.68	-	1,279,661.68	-	-	-	(198,223.99)	-	-
-	1,297.57 12,785.11	1,297.57 12,785.11	-	1,297.57 12,785.11	-	-	-	-	-	-
-	14,082.68	14,082.68	-	14,082.68	-	-	-	-	-	-
-	1,620,047.81	1,801,234.09	-	1,801,234.09	-	-	-	(288,963.40)	-	-
-	3,256.00	3,256.00	-	3,256.00	-	-	-	-	-	-
-	3,256.00	3,256.00	-	3,256.00	-	-	-	-	-	-
-	1,623,303.81	1,804,490.09	-	1,804,490.09	-	-	-	(288,963.40)	-	-
-	\$ 5,780,690.00	\$ 5,522,331.27	-	\$ 5,522,331.27	-	-	-	\$ (2,256,275.40)	\$ 583,471.07	-

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance, Schedule B  
For the Fiscal Year Ended June 30, 2024

							Balance June 30, 2023	
State Grantor/ Program Title	State Project Number	Award Amount	Required Match	From	Grant Period To	Unearned Revenue / Accounts Receivable	Due to Grantor	
General Fund:								
New Jersey Department of Education:								
Current Expense:								
State Aid - Public:								
Equalization Aid	23-495-034-5120-078	\$ 22,633,331.00	N/A	7-1-22	6-30-23	\$ (2,199,154.23)		
Equalization Aid	24-495-034-5120-078	22,633,331.00	N/A	7-1-23	6-30-24			
Categorical Special Education Aid	23-495-034-5120-089	1,996,732.00	N/A	7-1-22	6-30-23	(194,011.29)		
Categorical Special Education Aid	24-495-034-5120-089	3,138,580.00	N/A	7-1-23	6-30-24			
Categorical Security Aid	23-495-034-5120-084	739,882.00	N/A	7-1-22	6-30-23	(71,890.20)		
Categorical Security Aid	24-495-034-5120-084	801,561.00	N/A	7-1-23	6-30-24			
Total State Aid - Public						(2,465,055.72)	-	
State Aid - Transportation:								
Categorical Transportation Aid	23-495-034-5120-014	1,088,704.00	N/A	7-1-22	6-30-23	(105,783.28)		
Categorical Transportation Aid	24-495-034-5120-014	1,088,704.00	N/A	7-1-23	6-30-24			
Family Crisis Transportation Aid	24-495-034-5120-014	17,743.84	N/A	7-1-23	6-30-24			
Additional Non-Public Transportation Aid	23-495-034-5120-014	48,390.00	N/A	7-1-22	6-30-23	(48,390.00)		
Additional Non-Public Transportation Aid	24-495-034-5120-014	71,551.00	N/A	7-1-23	6-30-24			
Total State Aid - Transportation						(154,173.28)	-	
Extraordinary Aid								
Extraordinary Aid	23-495-034-5120-044	963,569.00	N/A	7-1-22	6-30-23	(963,569.00)		
Extraordinary Aid	24-495-034-5120-044	1,222,644.00	N/A	7-1-23	6-30-24			
Total Extraordinary Aid						(963,569.00)	-	
Homeless Tuition Aid								
Homeless Tuition Aid	23-495-034-5120-005	19,140.00	N/A	7-1-22	6-30-23	(19,140.00)		
Homeless Tuition Aid	24-495-034-5120-005	39,432.00	N/A	7-1-23	6-30-24			
Total Homeless Tuition Aid						(19,140.00)	-	
Reimbursed TPAF Social Security Contributions								
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	2,138,956.38	N/A	7-1-22	6-30-23	(103,179.65)		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	2,091,548.91	N/A	7-1-23	6-30-24			
Total Reimbursed TPAF Social Security Contributions						(103,179.65)	-	
New Jersey Department of the Treasury:								
On-Behalf T.P.A.F. Pension Contributions -								
Post-Retirement Medical (non-budgeted)	24-495-034-5094-001	2,897,170.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Pension Contributions - Normal								
Cost (non-budgeted)	24-495-034-5094-002	10,524,934.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Non-contributory Insurance	24-495-034-5094-004	120,031.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Pension Contributions - Long-Term								
Disability Insurance (non-budgeted)	24-495-034-5094-004	3,743.00	N/A	7-1-23	6-30-24			
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-	
Total General Fund						(3,705,117.65)	-	
Special Revenue Fund:								
New Jersey Department of Education:								
Nonpublic Aid:								
Nursing Services	23-100-034-5120-070	59,024.00	N/A	7-1-22	6-30-23		\$ 1,365.00	
Nursing Services	24-100-034-5120-070	76,560.00	N/A	7-1-23	6-30-24			
Textbook Aid (Ch. 194)	23-100-034-5120-064	31,631.00	N/A	7-1-22	6-30-23		2,658.00	
Textbook Aid (Ch. 194)	24-100-034-5120-064	36,883.00	N/A	7-1-23	6-30-24			
Technology	23-100-034-5120-373	22,134.00	N/A	7-1-22	6-30-23		187.00	
Technology	24-100-034-5120-373	31,262.00	N/A	7-1-23	6-30-24			
Security	23-100-034-5120-509	110,425.00	N/A	7-1-22	6-30-23		2,444.00	
Security	24-100-034-5120-509	155,185.00	N/A	7-1-23	6-30-24			
Auxiliary Services (Ch. 192)								
Compensatory Education	23-100-034-5120-067	101,225.00	N/A	7-1-22	6-30-23		4,302.00	
Compensatory Education	24-100-034-5120-067	110,587.00	N/A	7-1-23	6-30-24			
Home Instruction	24-100-034-5120-067	1,930.50	N/A	7-1-23	6-30-24			
Handicapped Services (Ch. 193)								
Corrective Speech	23-100-034-5120-066	16,740.00	N/A	7-1-22	6-30-23			
Corrective Speech	24-100-034-5120-066	30,690.00	N/A	7-1-23	6-30-24			
Supplementary Instruction	23-100-034-5120-066	59,472.00	N/A	7-1-22	6-30-23		147.00	
Supplementary Instruction	24-100-034-5120-066	56,994.00	N/A	7-1-23	6-30-24			
Examination and Classification	23-100-034-5120-066	45,717.00	N/A	7-1-22	6-30-23			
Examination and Classification	24-100-034-5120-066	99,361.00	N/A	7-1-23	6-30-24			
Total Nonpublic Aid						-	11,103.00	
Preschool Education Aid								
Preschool Education Aid	23-495-034-5120-086	2,815,240.00	472,325.00	7-1-22	6-30-23	(281,524.00)		
Preschool Education Aid	24-495-034-5120-086	2,980,170.00	442,866.00	7-1-23	6-30-24			
Total Preschool Education Aid						(281,524.00)	-	
SDA Emergent Needs Grant								
SDA Emergent Needs Grant	Unknown	73,953.00	N/A	7-1-22	6-30-23	323.34		
SDA Emergent Needs Grant	Unknown	73,216.00	N/A	7-1-23	6-30-24			
Total SDA Emergent Needs Grant						323.34	-	
Total Special Revenue Fund						(281,200.66)	11,103.00	
Debt Service Fund:								
New Jersey Department of Education:								
School Construction Debt Service Aid	24-495-034-5120-075	69,100.00	N/A	7-1-23	6-30-24	-	-	
Enterprise Fund:								
New Jersey Department of Agriculture:								
Child Nutrition Cluster:								
State School Lunch Aid	23-100-010-3350-001	35,498.08	N/A	7-1-22	6-30-23	(2,497.23)		
State School Lunch Aid	24-100-010-3350-001	35,984.62	N/A	7-1-23	6-30-24			
State NJEIE Lunch	24-100-010-3350-001	11,692.45	N/A	7-1-23	6-30-24			
State School Breakfast Aid	23-100-010-3350-002	6,275.70	N/A	7-1-22	6-30-23	(443.10)		
State School Breakfast Aid	24-100-010-3350-002	7,003.80	N/A	7-1-23	6-30-24			
State School Breakfast After the Bell Aid	23-100-010-3350-002	3,803.90	N/A	7-1-22	6-30-23	(254.20)		
State School Breakfast After the Bell Aid	24-100-010-3350-002	4,385.00	N/A	7-1-23	6-30-24			
State NJEIE Breakfast	24-100-010-3350-002	3,804.65	N/A	7-1-23	6-30-24			
State Supplement for Summer Food Service Program	24-495-010-3350-005	412.90	N/A	7-1-23	6-30-24			
Total Enterprise Fund						(3,194.53)	-	
Total State Financial Assistance						\$ (3,989,512.84)	\$ 11,103.00	
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-Behalf T.P.A.F. Pension Contributions -								
Post-Retirement Medical (non-budgeted)	24-495-034-5094-001	2,897,170.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Pension Contributions - Normal								
Cost (non-budgeted)	24-495-034-5094-002	10,524,934.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Non-contributory Insurance	24-495-034-5094-004	120,031.00	N/A	7-1-23	6-30-24			
On-Behalf T.P.A.F. Pension Contributions - Long-Term								
Disability Insurance (non-budgeted)	24-495-034-5094-004	3,743.00	N/A	7-1-23	6-30-24			
Total On-Behalf TPAF Pension Contributions (non-budgeted)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								
(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance								
The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.								

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

Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2024			Memo	
					Accounts Receivable	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2024	Cumulative Total Expenditures
\$ 2,199,154.23									
20,440,274.84	\$ 22,633,331.00				\$ (2,193,056.16)			\$ (2,193,056.16)	\$ 22,633,331.00
194,011.29									
2,834,467.35	3,138,580.00				(304,112.65)			(304,112.65)	3,138,580.00
71,890.20									
723,893.76	801,561.00				(77,667.24)			(77,667.24)	801,561.00
26,463,691.67	26,573,472.00	-	-	-	(2,574,836.05)	-	-	(2,574,836.05)	26,573,472.00
105,783.28									
983,214.05	1,088,704.00				(105,489.95)			(105,489.95)	1,088,704.00
17,743.84	17,743.84								17,743.84
48,390.00									
	71,551.00				(71,551.00)				71,551.00
1,155,131.17	1,177,998.84	-	-	-	(177,040.95)	-	-	(105,489.95)	1,177,998.84
963,569.00									
	1,222,644.00				(1,222,644.00)				1,222,644.00
963,569.00	1,222,644.00	-	-	-	(1,222,644.00)	-	-	-	1,222,644.00
19,140.00									
	39,432.00				(39,432.00)				39,432.00
19,140.00	39,432.00	-	-	-	(39,432.00)	-	-	-	39,432.00
103,179.65									
2,084,012.41	2,091,548.91				(7,536.50)				2,091,548.91
2,187,192.06	2,091,548.91	-	-	-	(7,536.50)	-	-	-	2,091,548.91
2,897,170.00	2,897,170.00								2,897,170.00
10,524,934.00	10,524,934.00								10,524,934.00
120,031.00	120,031.00								120,031.00
3,743.00	3,743.00								3,743.00
13,545,878.00	13,545,878.00	-	-	-	-	-	-	-	13,545,878.00
44,334,601.90	44,650,973.75	-	-	-	(4,021,489.50)	-	-	(2,680,326.00)	44,650,973.75
76,560.00	76,116.25		\$ 0.25	\$ 1,365.00			\$ 444.00		76,116.25
36,883.00	34,608.89		(0.11)	2,658.00			2,274.00		34,608.89
31,262.00	29,991.89		(0.11)	187.00			1,270.00		29,991.89
155,185.00	153,457.47		0.47	2,444.00			1,728.00		153,457.47
110,587.00	97,192.75		(0.25)	4,302.00			13,394.00		97,192.75
	1,930.50				(1,930.50)				1,930.50
30,690.00	30,690.00								30,690.00
56,994.00	40,235.94		(0.06)	147.00			16,758.00		40,235.94
99,361.00	74,910.50		(0.50)				24,450.00		74,910.50
597,522.00	539,134.19	-	(0.31)	11,103.00	(1,930.50)	-	60,318.00	-	539,134.19
281,524.00									
2,682,153.00	2,980,170.00				(298,017.00)			(298,017.00)	2,980,170.00
2,963,677.00	2,980,170.00	-	-	-	(298,017.00)	-	-	(298,017.00)	2,980,170.00
	323.34								73,953.00
73,216.00	73,216.00								73,216.00
73,216.00	73,539.34	-	-	-	-	-	-	-	147,169.00
3,634,415.00	3,592,843.53	-	(0.31)	11,103.00	(299,947.50)	-	60,318.00	(298,017.00)	3,666,473.19
69,100.00	69,100.00	-	-	-	-	-	-	-	69,100.00
2,497.23									
29,251.61	35,984.62				(6,733.01)				35,984.62
9,405.55	11,692.45				(2,286.90)				
443.10									
5,659.50	7,003.80				(1,344.30)				7,003.80
254.20									
3,669.50	4,385.00				(715.50)				
3,047.95	3,804.65				(756.70)				
412.90	412.90								412.90
54,641.54	63,283.42	-	-	-	(11,836.41)	-	-	-	43,401.32
\$ 48,092,758.44	48,376,200.70	-	\$ (0.31)	\$ 11,103.00	\$ (4,333,273.41)	-	\$ 60,318.00	\$ (2,978,343.00)	\$ 48,429,948.26
	2,897,170.00								
	10,524,934.00								
	120,031.00								
	3,743.00								
	13,545,878.00								
	\$ 34,830,322.70								

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2024

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Note 3: INDIRECT COST RATE**

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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



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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$109,487.00 for the general fund and \$40,472.33 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 217,062.19	\$ 44,541,486.75	\$ 44,758,548.94
Special Revenue	3,462,938.29	4,033,077.90	7,496,016.19
Debt Service		69,100.00	69,100.00
Food Service	1,804,490.09	63,283.42	1,867,773.51
GAAP Basis Revenues	5,484,490.57	48,706,948.07	54,191,438.64
GAAP Adjustments:			
State Aid Payments		125,980.00	125,980.00
Encumbrances	37,840.70	(13,861.37)	23,979.33
	37,840.70	112,118.63	149,959.33
Less Local Match Adjustments:			
Special Revenue Fund	-	(442,866.00)	(442,866.00)
Total Awards and Financial Assistance Expended	\$ 5,522,331.27	\$ 48,376,200.70	\$ 53,898,531.97

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 6: ADJUSTMENTS**

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

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2024, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: ANNUAL SCHOOL PLAN FUNDS**

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$ <u>979,333.00</u>

**Note 9: MAJOR PROGRAMS**

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

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2024

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Educational Stabilization Fund:
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning Coach &amp; Educator Support</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Evidence Based Summer Learning &amp; Enrichment</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Evidence Based Comprehensive Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - NJTSS Mental Health Support Staff</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>ARP - Homeless II</u>

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

Auditee qualified as low-risk auditee?   X   yes        no

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

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

### **State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified?	yes	X	no
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Significant deficiency(ies) identified?	yes	X	none reported
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Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?

yes    X    no

Identification of major programs:

**State Grant / Project #**

**Name of State Program**

	State Aid Public:
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Catergorical Special Education Aid
24-495-034-5120-084	Catergorical Security Aid
24-495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between type A and type B programs:

\$ 1,044,910.00

Auditee qualified as low-risk auditee?

X      yes                  no

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

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***Section 2- Schedule of Financial Statement Findings***

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

**None**

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

**None**

**TOWNSHIP OF GALLOWAY SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

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

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

**None**

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

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

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None



