

GARWOOD PUBLIC SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

**PREPARED BY
Garwood Public School District**

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

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GARWOOD PUBLIC SCHOOL DISTRICT

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Fax (908) 789-2970

Bernadette Pinto
School Business Administrator

February 26, 2025

Kevin Dehmer
The Commissioner
New Jersey Department of Education
100 Riverview Executive Plaza
CN - 500
Trenton, New Jersey 08625-0500

Dear Commissioner:

The Annual Comprehensive Financial Report ("ACFR") of the Garwood Public School District (the "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 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart, roster of officials, and list of consultants and advisors.. The Financial section includes the basic financial statements and required supplementary information, as well as the auditors' report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of New Jersey OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and is not a required part of the basic financial statements. Information related to this Single Audit, including the auditors' report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the Single Audit section of this report.

REPORTING ENTITY AND ITS SERVICES: Garwood Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. Garwood Public School District and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels PSD through Grade 8. These include regular, as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent (%) Changes</u>
2023 - 2024	377	4.14%
2022 - 2023	362	1.12%
2021 - 2022	358	2.87%
2020 - 2021	348	-3.33%
2019 - 2020	360	-4.51%
2018 - 2019	377	0.53%
2017 - 2018	375	-1.57%
2016 - 2017	381	4.67%
2015 - 2016	364	-2.15%
2014 - 2015	372	0%

ECONOMIC CONDITION AND OUTLOOK: Garwood is a small borough attempting to deal with a variety of evolving factors that could impact its future development and the already burdened taxpayers. The most pressing issues are the major housing developments and state federal mandates that do not come with implementation funding.

EDUCATIONAL PROGRAM: The Garwood Board of Education remains committed to excellence. The District mission statement reflects that all children can learn and that the Garwood Public Schools must prepare pupils to be lifelong learners, good citizens and be involved community members by providing a positive and productive learning environment that will empower each child to develop his/her potential while building and fostering enthusiasm, curiosity, responsibility, creativity, critical thinking and problem-solving skills. Critical thinking and problem-solving skills are among the most essential skills we can nurture. Our students will need to be able to adapt to the rapid changes they will see in their lifetime, and it will be essential that they have the knowledge of "how to learn." Articulation, planning and implementation activities revolved around learning "how to learn" while addressing the NJ Learning Standards and using an integrated language arts program, hands-on social studies and science, presenting an inquiry-based mathematics program in K-8.

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

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

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

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements".

FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statement" Notes 1 and 3. The District had adopted a cash management plan which requires it to deposit 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 Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability and comprehensive collision, hazard and theft insurance on the property and contents and fidelity bonds. The SBA Board Secretary has established Risk Management Committee made up of the SBA, Principal, School Nurse, Supervisor of Buildings and Grounds, and the SAIF Insurance Agent.

OTHER INFORMATION:

Independent Audit - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The District appointed the accounting firm of Galleros Robinson CPAs, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the New Jersey OMB Circular Letter 15-08. The auditor's report on the basic financial statements, combining and individual fund statements, and schedules are 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.

ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Garwood Public School District's Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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, accounting and administrative staff.

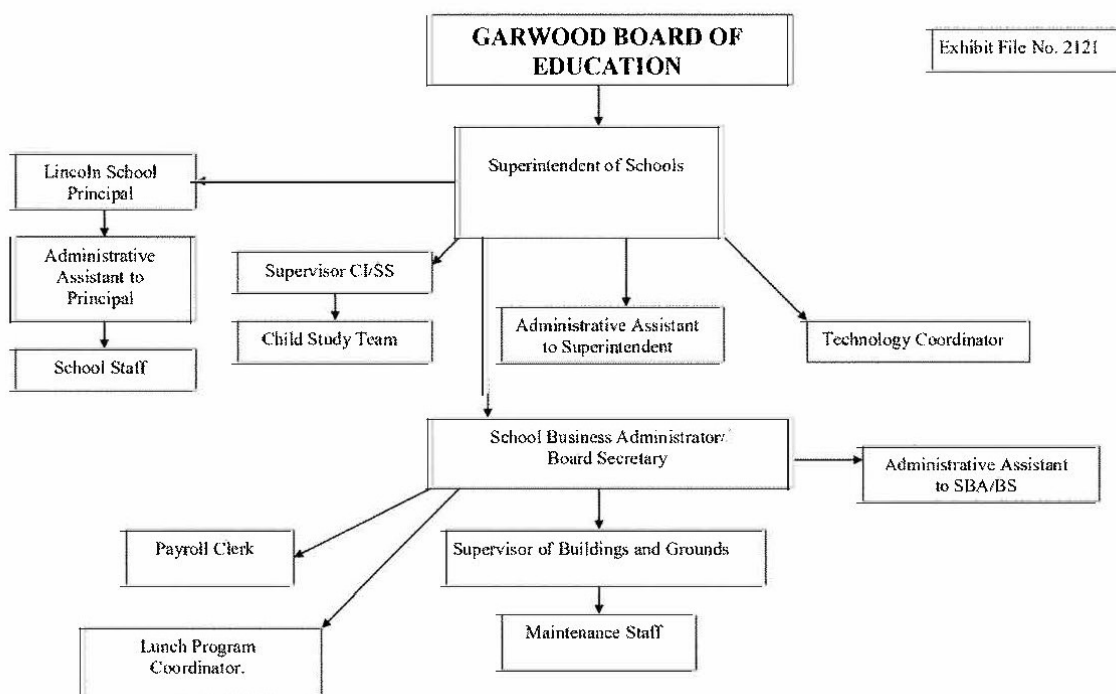
Respectfully submitted,



Bernadette Pinto
School Business Administrator/Board Secretary

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

ORGANIZATIONAL CHART



Revised: October 2014
Revised: September 2018

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>Board Members</u>	<u>Term Expires</u>
April Farrell	2024
Maureen Crawford	2025
Albert DelConte	2026
Christine Guerriero	2026
Linda Koenig	2025
Salvatore Piarulli	2024
Kristin Meza	2026
Tina Simitz	2025
Jennifer Uva	2024

OTHER OFFICIALS

Christopher Kinney, Superintendent of Schools

Bernadette Pinto, School Business Administrator/Board Secretary

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

CONSULTANTS AND ADVISORS

Architect

Solutions Architecture, LLC
81 Clay Street
Newark, New Jersey 07104

Independent Auditors

Galleros Robinson CPAs, LLP
115 Davis Station Rd
Cream Ridge, NJ 08514

Attorneys

Scarinci, Clooney & Company LLC
308 East Broad Street
Westfield, New Jersey 07080

Official Depositories

Citizens Savings Bank
105 North Avenue West
Cranford, New Jersey 07016

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable President and
Members of the Board of Education
Garwood Public School District
County of Union
Garwood, New Jersey 07027

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Garwood Public School District (the District), in the County of Union, 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 District's basic financial statements as listed in the table of contents.

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

Basis for 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 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 generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are also presented for purposes of additional analysis 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 New Jersey OMB's Letter Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also 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 and individual nonmajor fund financial statements, and the Schedules 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 Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Certified Public Accountants

March 25, 2025
Cream Ridge, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

GARWOOD PUBLIC SCHOOL DISTRICT (COUNTY OF UNION, NEW JERSEY)

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis (MD&A) provides an analysis of the District’s overall financial position and results of operations.

Introduction

This section of the Garwood Public School District’s (the “District”) annual financial report presents our discussion and analysis of the District’s financial performance and provides an overview of the District’s financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which follow this section.

The MD&A is an element of the reporting model in conformance with the requirements of the Governmental Accounting Standards Board (GASB).

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

- General revenues accounted for \$10.91 million or 87% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1.44 million or 12% of total revenues of \$12.47 million.
- The District had \$12.27 million in expenses; only \$1.44 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$10.91 million were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$11.74 million in total revenues and \$11.66 million in total expenditures and other financing uses.

Basic Financial Statements

This annual report consists of a series of basic financial statements, required supplementary information, other supplementary information, and notes to those statements and information.

The report is organized so the reader can understand the District as a financial whole, or as an entire operating entity. The first two basic financial Statements, the Statement of Net Position and the statement of activities, are governmental-wide financial statements and provide overall information about the activities of the entire District, presenting both an aggregate view of the District’s finances and a long-term view of those finances.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Fund Financial Statements

The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the District's operation in more detail than the government-wide statements. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in a single column. For the District, the General Fund is the most significant fund.

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities; the government operates like a business, such as food service.

Fiduciary fund statements provide information about financial relationship in which the District acts solely as a trustee or agent for the benefits of other, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

Statement of Net Position and Statement of Activities

While this report contains the funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "how did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all the District's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. These basis of accounting take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the District's net assets and changes in those assets. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. This change is the result of many factors some financial, some not. Financial factors represent increases in federal and state funding that resulted from the increase in enrollment noted for the fiscal year ended June 30, 2024. These factors are presented in our discussions on the District as a whole. Non-financial factors include the property tax base of the District where the District is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Statement of Net Position and Statement of Activities

Governmental Activities - Most of the District's programs and services are reported here including instructional, extracurricular activities, curriculum, staff development, special education and other support services, operation and maintenance of plant, pupil transportation, health services and general administration.

Business-Type Activity - Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of a multitude of financial transactions. The District's only major governmental fund is the General Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statement provides a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are sufficient financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The District as a Whole

The perspective of the Statement of Net Position is of the District as a whole. The table below provides a summary of the District's net assets at June 30, 2024.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 1,602,425	\$ 1,401,749	\$ 164,797	\$ 137,336	\$ 1,767,222	\$ 1,539,085
Capital Assets, net	6,018,463	6,511,878	9,371	11,366	6,027,834	6,523,244
Total Assets	7,620,888	7,913,627	174,168	148,702	7,795,056	8,062,329
Deferred outflow of resources	210,633	225,761	-	-	210,633	225,761
Liabilities						
Current Liabilities	365,957	244,005	-	26,373	365,957	270,378
Noncurrent Liabilities	5,675,402	5,906,941	-	-	5,675,402	5,906,941
Total Liabilities	6,041,359	6,150,946	-	26,373	6,041,359	6,177,319
Deferred inflow of resources	640,540	989,953	-	-	640,540	989,953
Net Position						
Invested in Capital Assets, net of related debt	1,140,781	1,203,326	9,371	11,366	1,150,152	1,214,692
Restricted for:						
Student Activities	22,756	21,967	-	-	22,756	21,967
Capital Projects	427,775	427,775	-	-	427,775	427,775
Debt Service Deficit	(95,125)	(94,416)	-	-	(95,125)	(94,416)
Other Purposes	474,993	349,507	-	-	474,993	349,507
Unrestricted	(821,558)	(909,670)	164,797	110,963	(656,761)	(798,707)
Total Net Position	\$ 1,149,622	\$ 998,489	\$ 174,168	\$ 122,329	\$ 1,323,790	\$ 1,120,818

The total net position of the District increased by \$0.2 million during the current fiscal year.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The District as a Whole - Continued

The table that follows reflects the change in net position for fiscal year 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charge for Services	\$ 21,454	\$ -	\$ 94,793	\$ 89,161	\$ 116,247	\$ 89,161
Operating Grants and Contributions	<u>1,350,613</u>	<u>1,012,828</u>	<u>91,933</u>	<u>78,951</u>	<u>1,442,546</u>	<u>1,091,779</u>
Total Program Revenues	<u>1,372,067</u>	<u>1,012,828</u>	<u>186,726</u>	<u>168,112</u>	<u>1,558,793</u>	<u>1,180,940</u>
General Revenues:						
Local Aid	9,618,675	9,293,051	-	-	9,618,675	9,293,051
State Sources	919,873	788,411	-	-	919,873	788,411
Miscellaneous	<u>372,117</u>	<u>373,749</u>	<u>-</u>	<u>-</u>	<u>372,117</u>	<u>373,749</u>
Total General Revenues	<u>10,910,665</u>	<u>10,455,211</u>	<u>-</u>	<u>-</u>	<u>10,910,665</u>	<u>10,455,211</u>
Total Revenues	<u>12,282,732</u>	<u>11,468,039</u>	<u>186,726</u>	<u>168,112</u>	<u>12,469,458</u>	<u>11,636,151</u>
Expenditures:						
Instructions	7,561,677	6,038,461	-	-	7,561,677	6,038,461
Administrative	900,353	2,488,929	-	-	900,353	2,488,929
Support Services	2,838,936	2,001,477	-	-	2,838,936	2,001,477
Unallocated						
Interest on Long-Term Debt	198,833	202,022	-	-	198,833	202,022
Capital Outlay	20,296	-	-	-	20,296	-
Depreciation	611,504	553,416	-	-	611,504	553,416
Food Service	<u>-</u>	<u>-</u>	<u>134,887</u>	<u>126,039</u>	<u>134,887</u>	<u>126,039</u>
Total Expenditures	<u>12,131,599</u>	<u>11,284,305</u>	<u>134,887</u>	<u>126,039</u>	<u>12,266,486</u>	<u>11,410,344</u>
Changes in Net Position	151,133	183,734	51,839	42,073	202,972	225,807
Net Position at Beginning of Year, as Restated	<u>998,489</u>	<u>814,755</u>	<u>122,329</u>	<u>80,256</u>	<u>1,120,818</u>	<u>895,011</u>
Net Position at End of Year (A-1)	<u>\$ 1,149,622</u>	<u>\$ 998,489</u>	<u>\$ 174,168</u>	<u>\$ 122,329</u>	<u>\$ 1,323,790</u>	<u>\$ 1,120,818</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2024.

	Total Cost of Services	Charges for Services	Grants/ Contributions	Net Cost of Services
Instruction	\$ 7,561,677	\$ -	\$ 824,540	\$ (6,737,137)
Adminstrative	900,353	-	94,289	(806,064)
Support services	2,838,936	21,454	304,995	(2,512,487)
Unallocated:				
Interest on long-term debt	198,833	-	126,789	(72,044)
Capital outlay	20,296	-	-	(20,296)
Depreciation	611,504	-	-	(611,504)
Total Expenses	<u>\$ 12,131,599</u>	<u>\$ 21,454</u>	<u>\$ 1,350,613</u>	<u>\$ (10,759,532)</u>

Business-Type Activity

The business-type activities of the District are the food service operations. These programs had revenues of \$0.19 million and operating expenses of \$0.13 million for the fiscal year 2024.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$12.82 million and expenditures of \$12.74 million.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year ended June 30, 2024, the District amended its General Fund budget as needed. The District uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget but provide flexibility for District management teams.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

General Fund Budgeting Highlights - Continued

For the General Fund, final budgeted revenues were \$9.99 million which included a local tax levy of \$9.1 million. Expenditures and other financing uses were budgeted at \$10.42 million. The District anticipated a decrease in fund balance of \$0.42 million. In fiscal year 2023-2024, actual revenues were \$11.74 million and expenditures and other financing uses were \$11.66 million.

The State of New Jersey reimbursed the District \$0.21 million during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members while on-behalf TPAF payments for post-retirement medical benefits and long-term disability insurance were \$1.36 million. These unbudgeted amounts are included in both revenues and expenditures.

Capital Assets

At the end of fiscal year 2024, the District had \$6.03 million invested in capital assets as follows:

	Governmental Activities	Business Type Activities	Total
Land	\$ 210,806	\$ -	\$ 210,806
Building and improvements	13,583,268	-	13,583,268
Furniture and equipment	801,225	68,309	869,534
Total Capital Assets	14,595,299	68,309	14,663,608
Less: Accumulated Depreciation	(8,576,836)	(58,938)	(8,635,774)
Totals	<u>\$ 6,018,463</u>	<u>\$ 9,371</u>	<u>\$ 6,027,834</u>

Long-term Liabilities

At the end of fiscal year 2024, long-term liabilities are as follows:

Bonds payable	\$ 3,805,000
Net pension liability	1,099,804
Installment purchase payable	200,869
Compensated absences	70,538
Bond issue premium	499,191
Total	<u>\$ 5,675,402</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Economic Factors and Next Year's Budget

The State of New Jersey continues to face serious budgetary constraints. These impacts the amount of state aid allocated to Districts. This reality was taken into account when adopting the general fund budget for 2023-2024. Nothing was done to compromise the quality of the programs in place in our District during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to: Garwood Board of Education, 400 Second Avenue, Garwood, New Jersey 07027. Also, please visit our website to learn more about our School District.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

This Statement of Net Position and the Statement of Activities display information about the District as a whole. The Statement of Net Position presents the financial condition of the government and business-type activities of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expense and program revenues for each program or function of the District's governmental and business-type activities.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 241,988	\$ 161,528	\$ 403,516
Restricted cash	925,524	-	925,524
Accounts receivable	434,913	3,269	438,182
Total current assets	<u>1,602,425</u>	<u>164,797</u>	<u>1,767,222</u>
Capital Assets:			
Land	210,806	-	210,806
Other capital assets, net	5,807,657	9,371	5,817,028
	<u>6,018,463</u>	<u>9,371</u>	<u>6,027,834</u>
Total assets	<u>7,620,888</u>	<u>174,168</u>	<u>7,795,056</u>
Deferred Outflow of Resources	<u>210,633</u>	<u>-</u>	<u>210,633</u>
Liabilities			
Current Liabilities:			
Accounts payable	13,545	-	13,545
Accrued interest payable	95,125	-	95,125
Payroll deductions and withholdings payable	125,771	-	125,771
Deferred revenues	131,516	-	131,516
	<u>365,957</u>	<u>-</u>	<u>365,957</u>
Noncurrent Liabilities:			
Due within one year	455,446	-	455,446
Due in more than one year	5,219,956	-	5,219,956
Total noncurrent liabilities	<u>5,675,402</u>	<u>-</u>	<u>5,675,402</u>
Total liabilities	<u>6,041,359</u>	<u>-</u>	<u>6,041,359</u>
Deferred Inflows of Resources	<u>640,540</u>	<u>-</u>	<u>640,540</u>
Net Position			
Invested in capital assets, net of related debt	1,140,781	9,371	1,150,152
Restricted for:			
Capital projects	427,775	-	427,775
Debt service (Deficit)	(95,125)	-	(95,125)
Other purposes	474,993	-	474,993
Student activities	22,756	-	22,756
Unrestricted	<u>(821,558)</u>	<u>164,797</u>	<u>(656,761)</u>
Total Net Position	<u>\$ 1,149,622</u>	<u>\$ 174,168</u>	<u>\$ 1,323,790</u>

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:						
Instruction	\$ 7,561,677	\$ -	\$ 824,540	\$ (6,737,137)	\$ -	\$ (6,737,137)
Administrative cost	900,353	-	94,289	(806,064)	-	(806,064)
Support services	2,838,936	21,454	304,995	(2,512,487)	-	(2,512,487)
Unallocated:						
Capital outlay	20,296	-	126,789	106,493	-	106,493
Interest on long-term debt	198,833	-	-	(198,833)	-	(198,833)
Depreciation	611,504	-	-	(611,504)	-	(611,504)
Total governmental activities	12,131,599	21,454	1,350,613	(10,759,532)	-	(10,759,532)
Business-type activities:						
Food Service	134,887	94,793	91,933	-	51,839	51,839
Total primary government	\$ 12,266,486	\$ 116,247	\$ 1,442,546	(10,759,532)	51,839	(10,707,693)
General revenues, transfers and special items:						
Property tax - General				\$ 9,105,550	\$ -	\$ 9,105,550
Property tax - Debt service				513,125	-	513,125
State sources				919,873	-	919,873
Amortization of bond premium				84,370	-	84,370
Amortization of deferred cost of bond refunding				62,978	-	62,978
Miscellaneous				224,769	-	224,769
Total general revenues, transfers and special items				10,910,665	-	10,910,665
Changes in net position				151,133	51,839	202,972
Net position - beginning				998,489	122,329	1,120,818
Net position - ending (A-1)				\$ 1,149,622	\$ 174,168	\$ 1,323,790

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,151,091	\$ (6,335)	\$ -	\$ 1,144,756
Restricted cash	-	22,756	-	22,756
Accounts receivable:				
Federal	-	253,254	-	253,254
State	181,659	-	-	181,659
Interfund accounts receivable	<u>105,672</u>	<u>-</u>	<u>-</u>	<u>105,672</u>
Total assets	<u>\$ 1,438,422</u>	<u>\$ 269,675</u>	<u>\$ -</u>	<u>\$ 1,708,097</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,814	\$ 9,731	\$ -	\$ 13,545
Payroll deductions and withholdings payable	125,771	-	-	125,771
Interfund accounts payable	-	105,672	-	105,672
Deferred revenue	<u>-</u>	<u>131,516</u>	<u>-</u>	<u>131,516</u>
Total liabilities	<u>129,585</u>	<u>246,919</u>	<u>-</u>	<u>376,504</u>
Fund balances:				
Restricted:				
Student activities	-	22,756	-	22,756
Capital reserve	427,775	-	-	427,775
Excess surplus:				
Prior Year - Designated for Subsequent Year's Expenditure	40,231	-	-	40,231
Current Year	375,486	-	-	375,486
Unemployment	59,276	-	-	59,276
Assigned for:				
Year-end encumbrances	76,816	-	-	76,816
Unassigned	<u>329,253</u>	<u>-</u>	<u>-</u>	<u>329,253</u>
Total fund balances	<u>1,308,837</u>	<u>22,756</u>	<u>-</u>	<u>1,331,593</u>
Total liabilities and fund balances	<u>\$ 1,438,422</u>	<u>\$ 269,675</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
	Cost of capital assets		\$ 14,595,299	
	Accumulated depreciation		<u>(8,576,836)</u>	
			<u>6,018,463</u>	
Deferred outflow and deferred inflow of resources and amortized in the statement of activities	Deferred amounts on net pension liability		<u>(57,285)</u>	
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.				
	Serial bonds payable		(3,805,000)	
	Original issue premium, net		(499,191)	
	Deferred amount on refunding bonds, net		(372,622)	
	Net pension liability		(1,099,804)	
	Installment purchase contracts payable		(200,869)	
	Compensated absences payable		<u>(70,538)</u>	
			<u>(6,048,024)</u>	
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:				
	Accrued interest payable		<u>(95,125)</u>	
Net position of governmental activities - A-1				<u>\$ 1,149,622</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Revenues				
Local Sources:				
Local tax levy	\$ 9,105,550	\$ -	\$ 513,125	\$ 9,618,675
Grant and contribution	-	3,539	-	3,539
Miscellaneous	224,769	21,454	-	246,223
Total revenues - local sources	9,330,319	24,993	513,125	9,868,437
Federal Sources	-	463,263	-	463,263
State Sources	839,007	80,866	-	919,873
Reimbursed TPAF - Social Security (non-budgeted)	213,136	-	-	213,136
On-behalf Teachers' Pension and Annuity Fund pension contributions (non-budgeted)	1,068,239	-	-	1,068,239
On-behalf Teachers' Pension and Annuity Fund post-retirement medical (non-budgeted)	290,736	-	-	290,736
On-behalf Teachers' Pension and Annuity Fund non-contributory insurance (non-budgeted)	431	-	-	431
Total revenues	11,741,868	569,122	513,125	12,824,115
Expenditures				
Current expense:				
Regular instruction	1,826,749	334,190	-	2,160,939
Special education instruction	859,992	-	-	859,992
Other Instruction	62,576	-	-	62,576
Support services and undistributed costs:				
Tuition	3,223,782	-	-	3,223,782
Student and instruction related services	749,563	107,355	-	856,918
Other administrative services	302,309	-	-	302,309
School administrative services	390,768	-	-	390,768
Plant operations and maintenance	654,272	-	-	654,272
Pupil transportation	745,744	-	-	745,744
Personal services - employee benefits	2,759,142	-	-	2,759,142
Capital outlay	80,897	126,789	-	207,686
Debt Service:				
Principal	-	-	315,000	315,000
Interest and other charges	-	-	198,125	198,125
Total expenditures	11,655,794	568,334	513,125	12,737,253
Excess of revenue over expenses before financing sources	86,074	788	-	86,862
Fund balances at beginning of the year	1,222,763	21,968	-	1,244,731
Fund balances at end of year	\$ 1,308,837	\$ 22,756	\$ -	\$ 1,331,593

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds (B-2)	\$ 86,862
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**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 expense. This is the amount by which depreciation expense exceeded capital outlays in the period.

Capital outlay	118,089
Depreciation expense	(611,504)
Amortization of bond premium	84,370
Amortization of deferred cost of bond refunding	62,978

Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Principal payment of bonds	315,000
Payment of installment purchase contracts	69,301
Proceeds from installment purchase contracts	(100,779)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	(708)
Change in compensated absences payable	(8,463)
Pension credit	<u>135,987</u>

Change in net position of governmental activities (A-2)	\$ <u>151,133</u>
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PROPRIETARY FUNDS

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF NET POSITION

JUNE 30, 2024

Assets

Current assets:

Cash and cash equivalents	\$	161,528
Accounts receivable:		
Federal		3,076
State		193
Total current assets		<u>3,269</u>

Capital assets:

Machinery and equipment		68,309
Less: Accumulated depreciation		<u>(58,938)</u>
Net capital assets		<u>9,371</u>

Total assets	\$	<u>174,168</u>
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Liabilities

Current liabilities:

Accounts payable	\$	-
Interfund payable - General Fund		<u>-</u>
		-

Net position

Unrestricted		<u>174,168</u>
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Total liabilities and net position	\$	<u>174,168</u>
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**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2024

Operating revenues:

Charges for services:

Daily sales - reimbursable programs	\$ 94,793
Total operating revenues	<u>94,793</u>

Operating expenses:

Cost of sales - reimbursable programs	132,892
Depreciation	<u>1,995</u>
Total operating expenses	<u>134,887</u>

Operating loss	<u>(40,094)</u>
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Nonoperating revenues:

State sources:

State School Lunch	2,379
State School Lunch - NJEIE	770
State School Breakfast	80
State School Breakfast - NJEIE	46

Federal sources:

National School Lunch	48,989
National School Breakfast	3,781
Supply Chain Assistance	35,235
Pandemic EBT	<u>653</u>
Total nonoperating revenues	<u>91,933</u>
Change in net position	51,839
Total net position at beginning of year	<u>122,329</u>
Total net position at end of year	<u>\$ 174,168</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities

Operating loss	\$ (40,094)
Adjustment to reconcile operating loss to net cash from operating activities:	
Depreciation	1,995
Changes in assets and liabilities:	
Inventory	7,040
Unearned revenue	<u>(26,373)</u>
Net cash from operating activities	<u>(57,432)</u>

Cash flows from noncapital financing activities

Cash received from state and federal reimbursements	<u>91,933</u>
Net increase in cash and cash equivalents	34,501
Cash and cash equivalents at beginning of the year	<u>127,027</u>
Cash and cash equivalents at end of year	<u>\$ 161,528</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Garwood Public School District (the "District") is presented to assist in understanding the District's financial statements and notes are representation of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and have been consistently applied in the preparation of these financial statements.

A. Reporting Entity:

The Garwood Public School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

B. Component Units

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the Government Accounting Standard Board's ("GASB") Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District. Based on the aforementioned criteria, the District has no component units.

C. Basis of Presentation

The financial statements of the District have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued

The most significant of the District's accounting policies are described below:

In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the financial statements include the following:

The financial statements include:

- i) A Management's Discussion and Analysis ("MD&A") section providing an analysis of the District's overall financial position and results of operations.
- ii) Financial statements prepared using full accrual accounting for all of the District's activities.
- iii) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

D. Basic Financial Statements

The District's basic financial statements consist of District or government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Basic Financial Statements - Continued

Fund Financial Statements

Fund financial statements of the District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District.

The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level.

E. Governmental Funds

General Fund - The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

- 1) As required by the New Jersey Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.
- 2) Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Governmental Funds - Continued

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2024, there was no Capital Projects Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2024, there was no debt service fund.

F. Proprietary Funds

The focus of Proprietary Funds' measurement is upon determination of net income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the Proprietary Funds of the District:

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

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

Internal Service (Self-Insurance) Fund - The Self-Insurance Fund is used to cover the self-insured limits of the various insurance policies for all funds. District does not use self-insurance fund.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Fiduciary Funds

Fiduciary funds are classified as follows:

Trust Fund - Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the District's own programs. Three trust fund types discussed below are used to account for resources held and administered by the District when it is acting in a fiduciary capacity for individuals, private organizations or other governmental units. These funds are distinguished from custodial funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund - Accounts for resources held by the District in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. District must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the District is acting as an agent. Custodial funds would include parent-teacher organizations.

H. Measurement Focus and Basis of Accounting

Measurement Focus - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spend able financial resources at the end of the period.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Measurement Focus and Basis of Accounting - Continued

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting adjectives are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or noncurrent, associated with their activities are included on the balance sheet. Fund equity (i.e., net total assets) is classified as net position.

Basis of Accounting - In the government-wide statement of net position and statements of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i. e. the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

I. Budgets/Budgetary Control

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A. 2(m)1. All budget amendments must be approved by the State Department of Education. 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 Special Revenue Fund as noted below.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Budgets/Budgetary Control - Continued

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

The accounting records of special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognized the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial report. As presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue Fund and Debt Service Funds to the GAAP basis of accounting as presented in the Statements of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.

J. Assets, Liabilities, and Equity

Deposits, Investments and Risk Disclosure

Cash and cash equivalents include amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Custodial credit risk disclosures are limited to deposits that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Deposits, Investments and Risk Disclosure - Continued

Deposits

New Jersey statutes require that Districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%. All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the District.
- d. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2024, the District did not hold any investments.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act ("GUDPA"). Although GASB Statement No. 40 eliminated Categories 1 and 2 as previously established by GASB Statement No. 3, it maintained, with modification, the level-of-disclosure requirements of GASB Statement No. 3.

As of June 30, 2024, the Board had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board's name, both at year-end and throughout the year.

The District does not have a policy for the management of the custodial risk, other than depositing all of its funds in banks covered by GUDPA.

Prepaid Expenses

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

There was no prepayment as of June 30, 2024.

Interfund Assets/Liabilities

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivable/payable. Interfund balanced within governmental activities and within business-type activities are eliminated on the District-wide statements of net position.

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the districtwide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Capital Assets - Continued

materially extend assets' lives are not capitalized. In fiscal year 2016, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Ground Equipment	15

Right-of-Use Assets

Right-of-use assets ("ROU") are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The ROU assets are amortized over the lease term or the life of the asset, whichever is shorter.

Subscription Assets

In the district-wide financial statements, subscription assets are measured as the sum of (1) present value of subscription payments expected to be made during the subscription term plus (2) payments made before commencement of the subscription term, and (3) any capitalizable implementation costs, less any incentives received at or before the commencement of the subscription term in the district-wide and proprietary fund financial statements and is amortized on a straight-line basis over the subscription term. Short-term SBITAs, which have a maximum possible term of 12 months, including any options to extend, regardless of their probability of being exercised are recognized as outflows of resources in the period paid.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB 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.

District employees are granted varying amounts of sick days in accordance with the District's employment contract and personnel policy. Per the most recent GEA contract, upon retirement, employees with at least 12 years of continuous service in this District, who retires to receive a pension from TPAF, shall be compensated for all accumulated sick leave at the rate of \$50 per day to a maximum payment of \$9,000. Terms vary for administration and other non-GEA contracts in accordance with their individual agreements.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the District's fiscal year-end or the District's proportionate share thereof in the case of a cost-sharing multi-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted average remaining service life of all

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Pensions - Continued

participants, including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Deferred Revenue

Deferred revenue in special revenue fund represent cash that has been received but not yet earned.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payable, accrued liabilities, and long-term obligations payable from the enterprises fund are reported and the enterprises fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payments during the current year.

Lease Liabilities

Lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives).

Subscription Liabilities

In the district-wide financial statements, subscription liabilities are reported and measured as the present value of subscription payments at the district's incremental borrowing rate.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position 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.

The deferred outflows of resources and deferred inflows of resources in the District-wide governmental activities pertain to pensions.

Fund Balance and Equity

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Fund Balance and Equity - Continued

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: committed, assigned, and unassigned.

Net Position

Net Position on the *Statement of Net Position* include the following:

Investments in Capital Assets, Right-of-use Assets and Subscription Assets, net of Related Debts - the component of net asset there reports the differences between capital assets, right-of-use assets, and subscription assets less both the accumulated depreciation, amortization and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributed to the acquisition, construction or improvement of those assets.

Restricted for Specific Purposes - the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on their use by either external parties and /or enabling legislation.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Net Position - Continued

Restricted for Debt Service – the component of net position that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

Unrestricted - the difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, net of Related Debt, Net Position Restricted for Specific Purposes or Net Position Restricted for Debt Services.

Contributed Capital

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds.

K. Interfund Transactions

Interfund transactions are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as “Due from/to Other Funds” on the accompanying financial statements. All other interfund transfers are reported as operating transfers.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. Accounting for Uncertainty of Income Taxes

The District recognizes the effect of income tax positions only of those positions are more likely than not of being sustained. Management has determined that the District had no uncertain tax positions that would require financial statement recognition. The District is no longer subject to audits by the applicable taxing jurisdictions for tax periods prior to 2021.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

N. Revenues Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

O. On-Behalf Payments

Revenues and expenditures of the General Fund include payment made by the State of New Jersey for pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund, and for post-retirement medical benefits of members. The amounts are not required to be included in the District's annual budget.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure as/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 18, 2025.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 ACCOUNTING PRONOUNCEMENTS

A. Accounting Pronouncement Adopted During the Year

In fiscal year 2024, the District adopted a new statement issued by the GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62

GASB Statement No. 100, is an amendment of GASB Statement No. 62. It addresses accounting and financial reporting requirements for certain types of accounting changes and error corrections. In its fiscal year ended June 30, 2024, the District did not implement any accounting changes or correct any errors to previously issued financial statements. Therefore, the adoption of Statement No. 100 had no impact on the District's current financial statements.

B. Accounting Pronouncements Issued but not Yet Adopted

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the District upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
101	Compensated Absences	2025
102	Certain Risk Disclosures	2025
103	Financial Reporting Model Improvement	2026

NOTE 3 CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

As of June 30, 2024, the District's carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
Operating Account	\$ 248,323	\$ (6,335)	\$ 161,528	\$ 403,516
Restricted cash	902,768	22,756	-	925,524
Total	<u>\$ 1,151,091</u>	<u>\$ 16,421</u>	<u>\$ 161,528</u>	<u>\$ 1,329,040</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 CASH AND CASH EQUIVALENTS - CONTINUED

Operating cash accounts are held in the District's name by Investors Bank. At June 30, 2024, the District's carrying amount of deposits was \$1,490,568 and the bank balance was \$1,445,538. Of the bank balance, up to a maximum of \$250,000 of the District's cash deposits on June 30, 2024 were secured by federal deposit insurance and \$1,195,538 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey GUDPA.

NOTE 4 RECEIVABLES

Receivables at June 30, 2024, consisted of federal aid, state aids, intergovernmental and other. All receivables are deemed collectible. A summary of receivables as of June 30, 2024 are as follow:

	Governmental Activities			Business-Type Activities	
	General Fund	Special Revenue Fund	Total	Enterprise Fund	Total District-Wide
State aid	\$ 181,659	\$ -	\$ 181,659	\$ 193	\$ 181,852
Federal Aid	-	253,254	253,254	3,076	256,330
Total	<u>\$ 181,659</u>	<u>\$ 253,254</u>	<u>\$ 434,913</u>	<u>\$ 3,269</u>	<u>\$ 438,182</u>

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Net Additions (Deletions)	Ending Balance
Governmental Activities			
Land	\$ 210,806	\$ -	\$ 210,806
Building and improvements	13,583,268	-	13,583,268
Furniture and equipment	683,136	118,089	801,225
Total	14,477,210	118,089	14,595,299
Less: accumulated depreciation	(7,965,332)	(611,504)	(8,576,836)
Capital assets, net	<u>\$ 6,511,878</u>	<u>\$ (493,415)</u>	<u>\$ 6,018,463</u>
Business-Type Activities			
Machinery and equipment	\$ 68,309	\$ -	\$ 68,309
Less: accumulated depreciation	(56,943)	(1,995)	(58,938)
Capital assets, net	<u>\$ 11,366</u>	<u>\$ (1,995)</u>	<u>\$ 9,371</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 6 LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2024, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2024.

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Bonds payable	\$ 4,120,000		\$ (315,000)	\$ 3,805,000	\$ 335,000
Original issue premium	583,561		(84,370)	499,191	77,339
Installment purchase payable	169,391	100,779	(69,301)	200,869	43,107
Compensated absences	62,075	8,463	-	70,538	-
Net pension liability	971,915	127,889	-	1,099,804	-
Total	<u>\$ 5,906,942</u>	<u>\$ 237,131</u>	<u>\$ (468,671)</u>	<u>\$ 5,675,402</u>	<u>\$ 455,446</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2024, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

Year	Equalized Valuation of Real Property
2022	\$ 915,512,592
2021	857,015,268
2020	777,939,691
Average equalized valuation of property	850,155,850
School borrowing margin (4% of above)	34,006,234
Net bonded school debt and authorized but not issued as of June 30, 2024	<u>3,805,000</u>
Total	<u>\$ 30,201,234</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 6 LONG-TERM LIABILITIES - CONTINUED

Installment Purchase Contracts Payable

The District has entered into various installment purchase contracts. The following is a schedule of the future minimum payments under these contracts.

	Principal	Interest	Total
FY 2025	\$ 54,114	\$ 6,771	\$ 60,885
FY 2026	55,870	5,015	60,885
FY 2027	57,699	3,186	60,885
FY 2028	21,819	1,281	23,100
FY 2029	11,367	183	11,550
	<u>\$ 200,869</u>	<u>\$ 16,436</u>	<u>\$ 217,305</u>

Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2024, including interest payments, are as follows:

Fiscal Year June 30,	Principal	Interest	Total
2025	\$ 335,000	\$ 181,875	\$ 516,875
2026	355,000	164,625	519,625
2027	375,000	146,375	521,375
2028	400,000	127,000	527,000
2029	420,000	106,500	526,500
2030	445,000	84,875	529,875
2031	465,000	62,125	527,125
2032	500,000	38,000	538,000
2033	510,000	12,750	522,750
	<u>\$ 3,805,000</u>	<u>\$ 924,125</u>	<u>\$ 4,729,125</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS

A. Description of Plans

All eligible employees of the District are covered by either the Public Employee's Retirement System ("PERS") or the Teacher's Pension and Annuity Fund ("TPAF") which have been established by state statute and are administered by the New Jersey Division of Pension and Benefit ("Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625.

i. PERS

The PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county municipality, District, or public agency provided the employee is not a member of another state-administered retirement system. PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, District, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

ii. TPAF

The TPAF was established in January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including postretirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

B. Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 4303B and N.J.S.A. 18A for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provide for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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 member's accounts.

C. Significant Legislation

Two pieces of legislation passed during fiscal year 2001 have significant impact on the benefit provisions under PERS and TPAF. Chapter 133, P.L.2001, increases retirement benefits for service, deferred and early retirements by changing the formula from 1/60 to 1/55 of final compensation for each year of service. The legislation also increases the retirement benefit for veteran member with 35 years or more of service and reduces age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, P.L. 2001, established an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

C. Significant Legislation - Continued

Chapter 4, P.L. 2001 provides increased benefit to certain members of PERS who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 to 71 percent of final compensation. Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

D. Contribution Requirement

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS and 7.06% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustment, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the District. The District's contribution to PERS paid during the year ended June 30, 2024 was \$101,483.

The State of New Jersey was required to contribute for TPAF on behalf of the District, for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) and post-retirement medical contribution amounting to \$1,358,975. In addition, for fiscal year 2024, the State of New Jersey contributed \$431 for Long-term Disability Insurance Premiums ("LTDI").

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the District \$213,136 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contribution and social contribution for TPAF members are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures

i. PERS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2024, the District reported in the District-wide statement of net position a liability of \$1,099,804 for its proportionate share of the PERS net pension liability. The total pension liability was measured as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The District's proportionate share of the net pension liability was based on the ratio of contributions as an individual employer to the total contributions to the PERS as of June 30, 2023 measurement date. The results of the June 30, 2023 measurement date was used to determine pension values for fiscal year 2024 as allowed by GASB Statement No. 68.

At June 30, 2023 measurement date, the District's proportionate share was 0.0075930363% which is an increase from the proportionate share of 0.0064401988% at June 30, 2022 measurement date.

For the year ended June 30, 2024, the District recognized pension credit of \$135,987. The District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**GARWOOD PUBLIC SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. PERS – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,516	\$ 4,496
Changes of assumptions	2,416	66,653
Net difference between projected and actual earnings on pension plan investments	5,065	-
Change in proportion and differences between the District contributions and proportionate share contributions	192,636	\$ 196,769
	<u>\$ 210,633</u>	<u>\$ 267,918</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	Year Ending June 30
2025	\$ (43,055)
2026	(43,055)
2027	(43,055)
2028	32,763
2029	36,341
Thereafter	2,776

Actuarial Assumptions. The collective total pension liability for the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**GARWOOD PUBLIC SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

F. GASB 68 Disclosures - Continued

i. PERS - continued

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 6.55% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on 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 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.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term Expected Rate of Return. In accordance with the State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 measurement date, are summarized in the following table:

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. PERS – continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7% as of June 30, 2023 measurement date. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions from 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 all current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. PERS - continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	<u>\$ 1,443,781</u>	<u>\$ 1,099,804</u>	<u>\$ 824,198</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

ii. TPAF

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In accordance with N.J.S.A. 18:66-33, the employer contributions for the District is legally required to be funded by the State. This 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. As such, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. TPAF – continued

For the year ended June 30, 2024, the District recognized pension expense and related revenue of \$297,288 in the District-wide financial statements for its proportionate share in the special funding support provided by the State for its TPAF members. The results of the June 30, 2023 measurement date was used to determine pension values for fiscal year 2024 as allowed by GASB Statement No. 68.

The State's proportionate share of the net pension liability attributable to the District was based on the ratio on the State's contribution as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF for the June 30, 2023 and 2022 measurement dates, respectively. At June 30, 2024 and 2023, the State's proportion of the net pension liability attributable to District was 0.0237124016% and 0.022576628%, respectively.

Actuarial Assumptions. The total pension liability for the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality were based on 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.

**GARWOOD PUBLIC SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. TPAF - continued

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term Expected Rate of Return. In accordance with the State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
Total	<u>100.00%</u>	

**GARWOOD PUBLIC SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. TPAF - continued

Discount rate. The discount rate used to measure the total pension liability was 7.0% June 30, 2023 measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability. The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability attributable to the District	<u>\$ 14,367,794</u>	<u>\$ 12,101,072</u>	<u>\$ 10,472,952</u>

NOTE 8 POST-RETIREMENT BENEFITS

General Information about the Pension and Other Postemployment Benefits (OPEB") Plan

State Health Benefit State Retired Employees Plan

OPEB Obligations in fiscal year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED

General Information about the OPEB Plan - Continued

State Health Benefit State Retired Employees Plan - continued

Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The fiscal year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in fiscal year 2021. The State has appropriated \$2.1 billion in fiscal year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in fiscal year 2021.

Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED

State Health Benefit State Retired Employees Plan - Continued

Total OPEB Liability

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

Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR at <https://www.nj.gov/treasury/omb/fr.shtml>

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial valuation vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Salary increases:	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
	Based on years of service	Based on years of service	Based on years of service

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 mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables 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.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially is 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits Preferred Provider Organization ("PPO"), the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend is 9.5% 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%.

(b) Discount Rate

The discount rate for used for June 30, 2023 measurement dates 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 OPEB liability of the State for District retirees:

Balance at 6/30/22 measurement date	\$ 13,659,883
Changes for the year	
Service cost	525,850
Interest	508,366
Change of benefit terms	-
Differences between expected and actual experience	94,563
Changes in assumptions and other inputs	29,094
Benefit payments	(396,279)
Contributions from the member	13,028
Net Change	<u>774,622</u>
Balance at 6/30/23 measurement date	<u>\$ 14,434,505</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for District retirees, as well as what the State's total OPEB liability for the District retirees would be if it were calculated using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District's retirees	<u>\$ 16,921,979</u>	<u>\$ 14,434,505</u>	<u>\$ 12,437,352</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the State for District retirees, as well as what the State's total OPEB liability for the District retirees would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Health Cost Trend Rate	1% Increase
Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District's retirees	<u>\$ 11,982,865</u>	<u>\$ 14,434,505</u>	<u>\$ 17,642,483</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB revenue and expense of \$0.08 million as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired District employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,052,605	\$ 3,983,407
Difference between expected and actual experience	2,106,036	3,801,905
Changes in proportion	348,566	1,507,512
	<u>\$ 4,507,207</u>	<u>\$ 9,292,824</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB of retired District employees will be recognized in OPEB expense as follows:

	Year Ending June 30
2025	\$ (570,496)
2026	(570,496)
2027	(570,496)
2028	(570,496)
2029	(570,496)
Thereafter	(1,933,137)

NOTE 9 RISK MANAGEMENT

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

A. Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Unaudited) of this Annual Comprehensive Financial Report (Schedule J-20).

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 RISK MANAGEMENT - CONTINUED

B. New Jersey Unemployment Compensation

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the 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 District is billed quarterly for amounts due to the State.

NOTE 10 FUND BALANCE APPROPRIATED

General Fund - Of the \$1,308,837 in General Fund Balance at June 30, 2024, \$427,775 has been restricted in the Capital Reserve Account; \$59,276 has been restricted for Unemployment; \$375,486 has been restricted as excess surplus; \$40,231 has been restricted as excess surplus - subsequent years' expenditures; \$76,816 has been assigned for encumbrances; and \$329,253 is unassigned.

NOTE 11 CALCULATION OF EXCESS SURPLUS- BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 resulting from this for the year ended June 30, 2024 is \$165,717.

General Fund Expenditures	
Fiscal Year Ended June 30, 2024	\$ 11,655,794
Less: On-Behalf TPAF Pension & Social Security	<u>1,572,542</u>
Adjusted General Fund Expenditures	\$ 10,083,252
Excess Surplus Percentage	<u>2%</u>
	201,665
Greater of above or \$250,000	\$ 250,000
Increased by	
Extraordinary Aid(unbudgeted)	<u>170,834</u>
Maximum Unreserved/Undesignated	
General Fund Balance	420,834
Actual Unassigned Fund Balance	<u>796,320</u>
Excess Surplus	<u>\$ 375,486</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 12 CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Garwood Public School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance remaining in the reserve as of June 30, 2024 is \$427,775.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

There was no change in capital reserve account from fiscal year ended June 30, 2023.

NOTE 13 DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2024.

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 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.

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

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 13 DEFERRED COMPENSATION - CONTINUED

The liability for vested compensated absences of the governmental fund types are recorded in the district-wide statement of net position. As of June 30, 2024, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$70,538.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 14 LEASE RECEIVABLE

The District, as lessor, leases property at the Washington School, 500 East Street, Garwood, New Jersey for use of the Garwood YMCA. The current lease term expires on June 30, 2024 with one additional extension option for 36 months. The lessee must provide notice of intention to terminate to the lessor not less than thirty days prior to the receipt of the renewal notice. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is .315% and is equal to the incremental borrowing rate of the Lessee. The lease was terminated on June 30, 2024.

NOTE 15 INTERFUND RECEIVABLES AND PAYABLES

Amount reported in the governmental funds as interfund receivable and payable from/to other governmental funds are eliminated in the governmental activities column. The remaining internal receivable and payable between the governmental funds and enterprise fund have been eliminated in the total district-wide statement of net asset.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 15 INTERFUND RECEIVABLES AND PAYABLES -CONTINUED

At June 30, 2024, the interfund balances consisted of the following components:

	RECEIVABLE (PAYABLE)		
	General Fund	Special Revenue Fund	Enterprise Fund
General fund	\$ 105,672	\$ (105,672)	\$ -
GASB No 34 mandated eliminations within governmental activities	<u>(105,672)</u>	<u>105,672</u>	<u>-</u>
Net interfund balances reported as follows:			
Entity-wide (eliminated in total column)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 16 CONTINGENCIES

State and Federal Aid Receipts

State and Federal awards are generally subject to review by the responsible governmental agencies for compliance with the agencies regulations governing the aid. In the opinion of the District's management and legal counsel, any potential adjustments to the Federal or State aid recorded by the District through June 30, 2024, resulting from a review by a responsible government agency will not have a material effect on the District financial statements at June 30, 2024.

Litigation

The District is periodically involved in lawsuits and estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially adversely affect the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 9,105,550	\$ -	\$ 9,105,550	\$ 9,105,550	\$ -
Miscellaneous	106,000	-	106,000	235,119	129,119
Total - local sources	9,211,550	-	9,211,550	9,340,669	129,119
State sources:					
Equalization aid	77,425	-	77,425	77,425	-
Categorical special education aid	520,619	-	520,619	520,619	-
Categorical security aid	11,310	-	11,310	11,310	-
Categorical transportation aid	88,326	-	88,326	88,326	-
Extraordinary aid	85,400	-	85,400	170,834	85,434
Adjustment aid	3,963	-	3,963	3,963	-
On-Behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	1,068,239	1,068,239
On-Behalf T.P.A.F. pension contributions - post-retirement medical (non-budgeted)	-	-	-	290,736	290,736
On-Behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	431	431
Reimbursed T.P.A.F. social security contributions (non-budgeted)	-	-	-	213,136	213,136
Total - state sources	787,043	-	787,043	2,445,019	1,657,976
Total revenues	9,998,593	-	9,998,593	11,785,688	1,787,095
Expenditures					
Current expense:					
Regular programs - instruction:					
Kindergarten	146,094	3,308	149,402	147,748	1,654
Grade 1-5	677,320	89,459	766,779	766,072	707
Grade 6-8	627,088	140	627,228	606,100	21,128
Regular programs - home instruction:					
Salaries of Teachers	3,000	20,399	23,399	17,999	5,400
Regular programs - undistributed instruction:					
Other Salaries for Instruction	195,513	-	195,513	149,510	46,003
General supplies	60,080	53,095	113,175	98,819	14,356
Textbooks	87,697	(47,196)	40,501	40,501	-
Total regular programs - instruction	1,796,792	119,205	1,915,997	1,826,749	89,248
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	162,614	(1,300)	161,314	161,314	-
Other Salaries for Instruction	62,944	82,876	145,820	106,465	39,355
General Supplies	700	(28)	672	672	-
Total Learning and / or Language Disabilities	226,258	81,548	307,806	268,451	39,355
Resource Room / Resource Center:					
Salaries of Teachers	474,173	(20,928)	453,245	446,997	6,248
General Supplies	700	(458)	242	242	-
Total Resource Room / Resource Center	474,873	(21,386)	453,487	447,239	6,248
Autism					
Salaries of Teachers	-	58,842	58,842	58,842	-
Other Salaries for Instruction	-	120	120	120	-
Total Autism	-	58,962	58,962	58,962	-
Preschool Disabilities - Part Time					
Salaries of Teachers	51,679	11,105	62,784	62,784	-
Other Salaries for Instruction	27,381	228	27,609	22,144	5,465
General Supplies	800	(110)	690	412	278
Total Preschool Disabilities - Part Time	79,860	11,223	91,083	85,340	5,743
Total Special Education - Instruction	780,991	130,347	911,338	859,992	51,346
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	82,082	(82,082)	-	-	-
School-sponsored cocurricular/extracurricular activities - Instruction:					
Salaries	35,662	20,502	56,164	56,044	120
School-sponsored athletics - instruction:					
Salaries	24,238	(19,338)	4,900	4,364	536
Supplies and materials	4,000	(1,396)	2,604	2,168	436
Total school-sponsored athletics - instruction	28,238	(20,734)	7,504	6,532	972
Summer School - instruction:					
Salaries of Teachers Summer	20,000	(18,942)	1,058	-	1,058
Total instruction	2,743,765	148,296	2,892,061	2,749,317	142,744
Undistributed Expenditures - Instruction:					
Tuition to other LEA's within the state - regular	1,600,833	7	1,600,840	1,600,840	-
Tuition to other LEA's within the state - special	608,381	112,523	720,904	704,264	16,640
Tuition to county vocational school district - regular	252,000	(51,400)	200,600	200,600	-
Tuition to county vocational school district - sp ed	8,000	(4,000)	4,000	4,000	-
Tuition to private schools for the handicapped - within state	1,015,412	(293,980)	721,432	714,078	7,354
Total Undistributed Expenditures - Instruction	3,484,626	(236,850)	3,247,776	3,223,782	23,994

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - health services:					
Salaries	87,382	526	87,908	87,908	-
Purchased professional and technical services	1,000	9,681	10,681	6,038	4,643
Other Purchased Services (400-500 series)	1,500	-	1,500	1,500	-
Supplies and materials	1,000	1,952	2,952	2,952	-
Total undistributed expenditures - health services	90,882	12,159	103,041	98,398	4,643
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	86,132	-	86,132	86,132	-
Purchased Professional - Educational Services	137,004	3,394	140,398	127,012	13,386
Total Undistributed Expenditures - Other Support Services - Students - Related Services	223,136	3,394	226,530	213,144	13,386
Undistributed expenditures - child study team:					
Salaries of other professional staff	310,666	-	310,666	296,800	13,866
Salaries of Secretarial and Clerical Assistants	1,000	2,775	3,775	2,823	952
Supplies and materials	2,400	(581)	1,819	1,819	-
Other Objects	-	2,476	2,476	686	1,790
Total undistributed expenditures - child study team	314,066	4,670	318,736	302,128	16,608
Undistributed expenditures - improvement of instructional service					
Salaries of other professional staff	33,660	-	33,660	33,660	-
Salaries of Secretarial and Clerical Assistants	98,192	-	98,192	98,192	-
Other Objects	300	(300)	-	-	-
Total undistributed expenditures - improvement of instructional service	132,152	(300)	131,852	131,852	-
Undistributed expenditures - instructional staff training service:					
Salaries of Other Professional Staff	-	3,400	3,400	3,400	-
Other purchased services (400-500 series)	3,000	(2,100)	900	641	259
Total undistributed expenditures - instructional staff training service	3,000	1,300	4,300	4,041	259
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	27,385	2,581	29,966	29,966	-
Supplies and Materials	3,020	(1,561)	1,459	1,459	-
Other objects	300	18	318	318	-
Total Undistributed Expenditures - Educational Media Services / School Library	30,705	1,038	31,743	31,743	-
Undistributed expenditures - support services - general Administration:					
Salaries	96,165	2,175	98,340	94,740	3,600
Legal services	60,000	14,792	74,792	74,792	-
Audit fees	24,000	(1,250)	22,750	22,750	-
Other purchased professional services	5,000	(1,092)	3,908	3,857	51
Communications / telephone	23,000	(3,469)	19,531	18,321	1,210
BOE other purchased services	2,500	1,114	3,614	3,614	-
Miscellaneous purchased services (400-500)	5,000	3,935	8,935	8,935	-
General supplies	4,732	1,647	6,379	4,959	1,420
Miscellaneous expenditures	2,700	-	2,700	2,700	-
BOE membership dues and fees	5,000	(156)	4,844	4,844	-
Total undistributed expenditures - support services - general Administration	228,097	17,696	245,793	239,512	6,281
Undistributed expenditures - support services - school Administration:					
Salaries of principals / assistant principals	136,605	300	136,905	136,905	-
Purchased professional and technical services	2,000	3,800	5,800	5,800	-
Other purchased services (400-500 series)	29,000	4,500	33,500	31,112	2,388
Supplies and materials	4,000	(1,866)	2,134	1,571	563
Other objects	500	(300)	200	195	5
Total undistributed expenditures - support services - school Administration	172,105	6,434	178,539	175,583	2,956
Undistributed Expenditures - Central Services:					
Salaries	124,321	33,660	157,981	157,981	-
Purchased professional services	9,000	527	9,527	9,095	432
Misc. purchased services (400-500) [O/T 594]	13,500	(2,218)	11,282	11,282	-
Supplies and materials	2,000	83	2,083	1,983	100
Interest on lease purchase agreements	6,500	(3,624)	2,876	2,876	-
Miscellaneous Expenditures	500	(275)	225	225	-
Total Undistributed Expenditures - Central Services	155,821	28,153	183,974	183,442	532
Undistributed expenditures - administration information Technology:					
Salaries	41,075	-	41,075	41,075	-
Purchased technical services	22,490	(768)	21,722	21,722	-
Total undistributed expenditures - administration information Technology	63,565	(768)	62,797	62,797	-
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	82,775	658	83,433	83,433	-
Cleaning, Repair, and Maintenance Services	60,000	6,615	66,615	62,116	4,499
General Supplies	23,900	17,515	41,415	23,883	17,532
Other objects	300	(300)	-	-	-

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures - Required Maintenance for School Facilities	166,975	24,488	191,463	169,432	22,031
Undistributed expenditures - custodial services					
Salaries	218,471	2,014	220,485	220,484	1
Cleaning, repair, and maintenance services	25,000	(1,915)	23,085	16,761	6,324
Purchased professional and technical services	2,400	(2,400)	-	-	-
Other purchased property services	7,430	1,637	9,067	8,220	847
Insurance	61,159	(385)	60,774	60,774	-
General supplies	24,000	(4,953)	19,047	17,400	1,647
Energy (natural gas)	31,500	3,025	34,525	34,525	-
Energy (electricity)	113,080	8,946	122,026	120,121	1,905
Energy (Gasoline)	6,000	555	6,555	6,555	-
Miscellaneous	1,000	(1,000)	-	-	-
Total undistributed expenditures - custodial services	490,040	5,524	495,564	484,840	10,724
Undistributed expenditures - student transportation services:					
Salaries of non-instructional aides	17,760	4,255	22,015	22,015	-
Salaries for pupil transportation (Between home and school) - regular	29,500	5,624	35,124	35,124	-
Cleaning, repairs and maintenance services	3,500	(638)	2,862	2,862	-
Contracted services - aid in lieu payments - non pub sch	14,308	(2,658)	11,650	11,650	-
Contract services (sp. ed. stds.) - vendors	63,400	(17,200)	46,200	46,200	-
Contracted services (Regular students) - ESCs and CTSAAs	328,541	17,849	346,390	328,779	17,611
Contracted services (Special education students) - ESCs and CTSAAs	260,000	68,545	328,545	298,240	30,305
General supplies	1,200	(1,159)	41	-	41
Other objects	1,100	(100)	1,000	874	126
Total undistributed expenditures - student transportation services	719,309	74,518	793,827	745,744	48,083
Unallocated benefits - employee benefits:					
Social security contributions	102,000	-	102,000	97,675	4,325
Other retirement contributions - PERS	94,500	-	94,500	101,483	(6,983)
Unemployment compensation	15,936	(8,532)	7,404	4,373	3,031
Workmen's compensation	50,980	(337)	50,643	44,825	5,818
Health benefits	935,611	(31,727)	903,884	870,186	33,698
Tuition Reimbursements	10,000	-	10,000	9,174	826
Other Employee Benefits	54,000	4,884	58,884	58,884	-
Total unallocated benefits - employee benefits	1,263,027	(35,712)	1,227,315	1,186,600	40,715
On-behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	1,068,239	(1,068,239)
On-behalf T.P.A.F. pension contributions - post-retirement medical (non-budgeted)	-	-	-	290,736	(290,736)
On-behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	431	(431)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	-	-	-	213,136	(213,136)
Total on-behalf contributions	-	-	-	1,572,542	(1,572,542)
Total personal services - employee benefits	1,263,027	(35,712)	1,227,315	2,759,142	(1,531,827)
Total undistributed expenditures	7,537,506	(94,256)	7,443,250	8,825,580	(1,382,330)
Total general current expense	10,281,271	54,040	10,335,312	11,574,897	(1,239,586)
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Instruction	16,311	-	16,311	16,311	-
School buses - regular	34,909	-	34,909	34,909	-
Total equipment	51,220	-	51,220	51,220	-
Facilities acquisition and construction services:					
Assessment for Debt Service on SDA Funding	29,677	-	29,677	29,677	-
Total capital outlay	80,897	-	80,897	80,897	-
Total expenditures	10,362,168	54,040	10,416,209	11,655,794	(1,239,586)
Excess (deficiency) of revenues over expenditures	(363,575)	(54,040)	(417,616)	129,894	547,510
Fund balances at beginning of year	1,270,524	-	1,270,524	1,270,524	-
Fund balances at end of year	\$ 906,949	\$ (54,040)	\$ 852,909	\$ 1,400,418	\$ 547,510
Recapitulation:					
Restricted:					
Capital Reserve:					
Capital Reserve				\$ 427,775	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				40,231	
Current Year				375,486	
Unemployment Compensation				59,276	
Assigned:					
Year-End Encumbrances				76,816	
Designated for Subsequent Year's Expenditures				-	
Restricted:					
Unassigned				420,834	
				\$ 1,400,418	
Reconciliation to Governmental Funds Statements (GAAP):					
Fund Balance per Governmental Funds (Budgetary)				\$ 1,400,418	
Fiscal Year 2024 Last State Aid Payments not Recognized on GAAP Basis				(91,581)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,308,837	

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local	\$ 3,539	\$ -	\$ 3,539	\$ 24,993	\$ 21,454
Federal	602,436	(70,147)	532,289	463,263	(69,026)
State	80,866	-	80,866	80,866	-
Total revenues - all sources	<u>686,841</u>	<u>(70,147)</u>	<u>616,694</u>	<u>569,122</u>	<u>(47,572)</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries	150,107	(50,085)	100,022	100,022	-
Purchased professional and technical services	13,722	2,451	16,173	16,173	-
Other purchased services	127,412	(1,758)	125,654	123,501	2,153
Supplies and materials	105,052	40,803	145,855	94,494	51,361
Miscellaneous	-	-	-	-	-
Total instruction	<u>396,293</u>	<u>(8,589)</u>	<u>387,704</u>	<u>334,190</u>	<u>53,514</u>
Support services					
Salaries	30,050	10,875	40,925	40,925	-
Employee benefits	13,252	-	13,252	13,252	-
Purchased professional educational services	32,496	(4,229)	28,267	25,512	2,755
Supplies	7,000	-	7,000	7,000	-
Student activities	-	-	-	20,666	(20,666)
Total support services	<u>82,798</u>	<u>6,646</u>	<u>89,444</u>	<u>107,355</u>	<u>(17,911)</u>
Capital Outlay:					
Building - HVAC and Custodial	<u>207,750</u>	<u>(68,204)</u>	<u>139,546</u>	<u>126,789</u>	<u>12,757</u>
Total Expenditures	<u>686,841</u>	<u>(70,147)</u>	<u>616,694</u>	<u>568,334</u>	<u>48,360</u>
Excess revenues over expenditures	\$ -	\$ -	\$ -	\$ 788	\$ 788
Fund balance at beginning of year				<u>21,968</u>	
Fund balance at end of year				<u>\$ 22,756</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 22,756</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART II

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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) "revenue" from the budgetary comparison schedule:	[C-1] \$ 11,785,688	[C-2] 488,256
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Sate Aid Payment recognized for GAAP Statements in the current year, previously recognized for budgetary purposes for financial reporting purposes.	58,111	-
Sate Aid Payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(91,581)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2] <u>11,752,218</u>	[B-2] <u>488,256</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 11,655,794	[C-2] 487,468
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 11,655,794</u>	[B-2] <u>\$ 487,468</u>

Note A -The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

REQUIRED SUPPLEMENTARY INFORMATION

PART III

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

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - PERS**

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0075930363%	0.0064401988%	0.0077316835%	0.0082030290%	0.0074459335%	0.0080938800%	0.0079878609%	0.0067675559%	0.0063609372%	0.0065612502%
District's proportionate share of the net pension liability (asset)	\$ 1,099,804	\$ 971,915	\$ 915,934	\$ 1,337,000	\$ 1,341,644	\$ 1,593,645	\$ 1,859,446	\$ 2,004,356	\$ 1,427,903	\$ 1,228,445
District's covered-employee payroll	\$ 1,002,687	\$ 591,468	\$ 463,704	\$ 613,863	\$ 560,733	\$ 530,357	\$ 562,448	\$ 532,289	\$ 456,528	\$ 440,331
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	109.69%	164.32%	197.53%	217.80%	239.27%	300.49%	330.60%	376.55%	312.77%	278.98%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

LAST TEN FISCAL YEARS

	<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>
Contractually required contribution	\$ 101,483	\$ 81,214	\$ 90,547	\$ 89,737	\$ 72,427	\$ 80,508	\$ 60,423	\$ 60,122	\$ 54,687	\$ 54,090
Contributions in relation to the contractually required contribution	<u>(101,483)</u>	<u>(81,214)</u>	<u>(90,547)</u>	<u>(121,012)</u>	<u>(72,427)</u>	<u>(78,864)</u>	<u>(60,423)</u>	<u>(60,122)</u>	<u>(54,687)</u>	<u>(54,090)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,002,687	\$ 591,468	\$ 463,704	\$ 613,863	\$ 560,733	\$ 530,357	\$ 562,448	\$ 532,289	\$ 456,528	\$ 440,331
Contributions as a percentage of covered-employee payroll	10.12%	13.73%	19.53%	14.62%	12.92%	15.18%	10.74%	11.29%	11.98%	12.28%

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - TPAF**

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State's proportionate share of the net pension liability (asset) attributable to District	0.0237124016%	0.0225766280%	0.0234003340%	0.0232112160%	0.0241082019%	0.0235513402%	0.0223066471%	0.0213823298%	0.0225228924%	0.0233245398%
State's proportionate share of the net pension liability (asset) attributable to District	\$ 12,101,072	\$ 11,648,246	\$ 11,264,033	\$ 15,284,306	\$ 14,795,431	\$ 14,982,857	\$ 15,185,719	\$ 16,820,702	\$ 14,235,430	\$ 12,466,207
District's covered-employee payroll	\$ 3,253,055	\$ 2,678,005	\$ 2,678,005	\$ 2,498,269	\$ 2,548,555	\$ 2,415,309	\$ 2,425,099	\$ 2,385,564	\$ 2,211,999	\$ 2,153,504
State's proportionate share of the net pension liability (asset) attributable to District as a percentage of its covered-employee payroll	372%	434.96%	420.61%	611.80%	580.54%	620.33%	626.19%	705.10%	643.55%	578.88%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART III

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ended June 30	Discount Rate	Long-term Expected Rate of Return	Actuarial Experience Study Period
2023	7.00%	7.00%	7/1/2018 - 6/30/2021
2022	7.00%	7.00%	7/1/2018 - 6/30/2021
2021	7.00%	7.00%	7/1/2014 - 6/30/2018
2020	7.00%	7.00%	7/1/2014 - 6/30/2018
2019	6.28%	7.00%	7/1/2014 - 6/30/2018
2018	5.66%	7.00%	7/1/2011 - 6/30/2014
2017	5.00%	7.00%	7/1/2011 - 6/30/2014
2016	3.98%	7.65%	7/1/2011 - 6/30/2014
2015	4.90%	7.90%	7/1/2008 - 6/30/2011
2014	5.39%	7.90%	7/1/2008 - 6/30/2011

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ended June 30	Discount Rate	Long-term Expected Rate of Return	Actuarial Experience Study Period
2023	7.00%	7.00%	7/1/2018 - 6/30/2021
2022	7.00%	7.00%	7/1/2018 - 6/30/2021
2021	7.00%	7.00%	7/1/2014 - 6/30/2018
2020	5.40%	7.00%	7/1/2014 - 6/30/2018
2019	5.60%	7.00%	7/1/2014 - 6/30/2018
2018	4.86%	7.00%	7/1/2012 - 6/30/2015
2017	4.25%	7.00%	7/1/2012 - 6/30/2015
2016	3.22%	7.65%	7/1/2012 - 6/30/2015
2015	4.13%	7.90%	7/1/2009 - 6/30/2012
2014	4.68%	7.90%	7/1/2009 - 6/30/2012

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR OPEB (GASB 75)**

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICTS TOTAL
OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
School District's proportion of the Total OPEB Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
State's proportionate share of the Total OPEB Liability (Asset) associated with the School District	\$ 14,434,505	\$ 13,659,883	\$ 16,913,512	\$ 19,512,388	\$ 12,094,805	\$ 14,241,332	\$ 16,642,807
District Covered-employee payroll ⁽²⁾	\$ 4,255,742	\$ 3,498,656	\$ 3,498,656	\$ 3,141,709	\$ 3,112,132	\$ 3,109,288	\$ 2,945,666
School District's proportionate share of the Total OPEB Liability (Asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total OPEB Liability	0%	0%	0%	0%	0%	0%	0%
Total State OPEB Liability Attributable to School District							
Service cost	\$ 525,850	\$ 720,254	\$ 824,064	\$ 450,756	\$ 442,319	\$ 487,496	\$ 587,243
Interest	508,366	362,002	438,754	433,380	561,352	606,742	522,868
Effect on Changes of Benefit Terms		-	(18,002)				
Difference between expected and actual experience	94,563	(324,428)	(3,525,979)	3,298,603	(2,970,265)	(1,493,802)	-
Changes in assumptions and other inputs	29,094	(3,664,386)	16,686	3,564,243	180,335	(1,634,264)	(2,039,342)
Member contributions	13,028	11,503	11,217	10,296	11,006	13,161	14,194
Benefit payments	<u>(396,279)</u>	<u>(358,574)</u>	<u>(345,616)</u>	<u>(339,695)</u>	<u>(371,274)</u>	<u>(380,808)</u>	<u>(385,483)</u>
Net Change in Total State OPEB Liability Attributable to School District	\$ 774,622	(3,253,629)	(2,598,876)	7,417,583	(2,146,527)	(2,401,475)	(1,300,520)
Total State OPEB Liability Attributable to School District:							
At beginning of year	\$ 13,659,883	\$ 16,913,512	\$ 19,512,388	\$ 12,094,805	\$ 14,241,332	\$ 16,642,807	\$ 17,943,327
At end of year	<u>\$ 14,434,505</u>	<u>\$ 13,659,883</u>	<u>\$ 16,913,512</u>	<u>\$ 19,512,388</u>	<u>\$ 12,094,805</u>	<u>\$ 14,241,332</u>	<u>\$ 16,642,807</u>
Total State OPEB liability as a percentage of School District covered-employee payroll	339.18%	390.43%	483.43%	621.08%	388.63%	458.03%	564.99%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The School District implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in fiscal year 2018. No data is available prior to fiscal year 2018.

(2) Covered payroll was based on the School District's payroll for the year ended June 30.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV

YEAR ENDED JUNE 30, 2024

Change in benefit terms: None

Change in assumptions: The following assumptions were use in calculating the net OPEB liability in their respective accounting periods:

<u>Measurement Date Ending</u>	<u>Discount Rate</u>
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2024

	ESSA					COVID-19												
								ARP ESSER Subgrant - NJTSS Mental Health Supp Staff Grant	ARP ESSER - Evidence-Based Comprehensive Beyond the School Day	ARP ESSER Subgrant - Evidence-Based Summer Learning and Enrichment Activities Grant	ARP ESSER Subgrant - Accelerated Learning Coaching and Educator Support Grant	SDA Emergent Needs	Climate Change	Local Sources	Student Activities	Total		
	IDEA Basic	IDEA Preschool	Title I	Title II	Title IV	CRRSA Act - Mental Health	ARP - ESSER											
Revenues																		
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,539	\$ 21,454	\$ 24,993		
Federal sources	109,283	3,693	46,107	13,398	10,502	10,875	141,589	45,000	28,500	20,833	33,483	-	-	-	-	463,263		
State Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total revenues	109,283	3,693	46,107	13,398	10,502	10,875	141,589	45,000	28,500	20,833	33,483	-	-	3,539	21,454	488,256		
Expenditures																		
Instruction:																		
Salaries- Instruction- Sal of Teacher	-	-	-	-	-	-	-	-	28,500	17,600	-	-	-	-	-	46,100		
Purchased services	-	-	13,722	-	2,451	-	-	-	-	-	-	-	-	-	-	16,173		
Other purchased services (400-500 series)	100,000	-	-	-	-	-	-	-	-	-	23,501	-	-	-	-	123,501		
Instructional supplies	2,283	3,693	32,385	-	6,380	-	14,800	-	-	488	4,582	-	-	3,539	-	68,150		
Total instruction	102,283	3,693	46,107	-	8,831	-	14,800	-	28,500	18,088	28,083	-	-	3,539	-	253,924		
Support services:																		
Salaries	-	-	-	-	-	10,875	-	29,450	-	-	-	-	-	-	-	40,325		
Benefits	-	-	-	-	-	-	-	13,252	-	-	-	-	-	-	-	13,252		
Professional tech services	-	-	13,398	-	1,671	-	-	2,298	-	2,745	5,400	-	-	-	-	25,512		
Supplies and materials	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000		
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,666	20,666		
Total support services	7,000	-	-	13,398	1,671	10,875	-	45,000	-	2,745	5,400	-	-	-	20,666	106,755		
Facilities acquisition and construction services:																		
Building	-	-	-	-	-	-	126,789	-	-	-	-	-	-	-	-	126,789		
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non-instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total facilities acquisition and construction services	-	-	-	-	-	-	126,789	-	-	-	-	-	-	-	-	126,789		
Total expenditures	109,283	3,693	46,107	13,398	10,502	10,875	141,589	45,000	28,500	20,833	33,483	-	-	3,539	20,666	487,468		
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	788	788		
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,968	21,968		
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,756	\$ 22,756		

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PRESCHOOL EDUCATION AID REVENUES AND EXPENDITURES
BUDGETARY BASIS

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 53,922	\$ -	\$ 53,922	\$ 53,922	\$ -
General Supplies	<u>26,344</u>	<u>-</u>	<u>26,344</u>	<u>26,344</u>	<u>-</u>
Total instruction	<u>80,266</u>	<u>-</u>	<u>80,266</u>	<u>80,266</u>	<u>-</u>
Support services:					
Salaries of Other Professional Staff	<u>600</u>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
Total support services	<u>600</u>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
Total Expenditures	<u>\$ 80,866</u>	<u>\$ -</u>	<u>\$ 80,866</u>	<u>\$ 80,866</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2024 PreK/ECPA Aid Allocation	\$ 195,078
Add: Actual PreK/ECPA Aid Carryover June 30, 2023	
Add: Budgeted Transfer From General Fund	<u>-</u>
Total Funds Available for 2024 Budget	195,078
Less: 2024 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>80,866</u>
Available & Unbudgeted Funds as of June 30, 2024	114,212
Add: June 30, 2024 Unexpended PreK Aid	<u>-</u>
2024- Actual Carryover - PreK Aid	<u>\$ 114,212</u>
2024-25 PreK Aid Carryover Budgeted in 2024-FY	<u>\$ 114,212</u>

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges. The District has the Food Service and After Care in its Enterprise Fund to account for the operation of food services and after care.

FIDUCIARY FUNDS

Trust Fund. Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the District's own programs which are as follow:

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund. Accounts for resources held by the District in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. District must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the District is acting as an agent. Custodial funds would include parent-teacher organizations.

At June 30, 2024, the District do not have a Trust Fund nor Custodial Fund.

LONG-TERM DEBT

The long-term debt is used to record the outstanding principal balances of the long-term liabilities of the District. This includes the outstanding principal balance on leases, subscription liabilities, the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding or mortgage note payable.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

YEAR ENDED JUNE 30, 2024

Issue	Date of Original Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
			Date	Amount					
School Bonds	4/21/2022	\$ 4,120,000	7/15/2023	\$ 315,000	5.00%				
			7/15/2024	335,000	5.00%				
			7/15/2025	355,000	5.00%				
			7/15/2026	375,000	5.00%				
			7/15/2027	400,000	5.00%				
			7/15/2028	420,000	5.00%				
			7/15/2029	445,000	5.00%				
			7/15/2030	465,000	5.00%				
			7/15/2031	500,000	5.00%				
			7/15/2032	510,000	5.00%	<u>\$ 4,120,000</u>	<u>\$ -</u>	<u>\$ (315,000)</u>	<u>\$ 3,805,000</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

LONG-TERM DEBT

SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS

YEAR ENDED JUNE 30, 2024

Purpose	Date of Original Issue	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
			Principal	Interest					
Copiers	12/28/2019	5 years	\$ 83,676	\$ 9,324	11.14%	\$ 25,512	\$ -	\$ (25,512)	\$ -
Copiers	1/28/2024	5 years	100,779	14,721	14.61%	-	100,779	\$ (8,880)	91,899
Buses	11/30/2021	5 years	<u>180,551</u>	<u>8,374</u>	4.64%	<u>143,879</u>	<u>-</u>	<u>(34,909)</u>	<u>108,970</u>
Total Liabilities			<u>\$ 365,006</u>	<u>\$ 32,419</u>		<u>\$ 169,391</u>	<u>\$ 100,779</u>	<u>\$ (69,301)</u>	<u>\$ 200,869</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

DEBT SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local	\$ 513,125	\$ 513,125	\$ -
Total revenues - all sources	<u>513,125</u>	<u>513,125</u>	<u>-</u>
Expenditures			
Regular Debt Service			
Interest	198,125	198,125	-
Redemption of Principal	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Total Debt Service	<u>513,125</u>	<u>513,125</u>	<u>-</u>
Total Expenditures	<u>513,125</u>	<u>513,125</u>	<u>-</u>
Excess revenues over expenditures	\$ -	\$ -	\$ -
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>\$ -</u>	

STATISTICAL SECTION (UNAUDITED)

Unless otherwise noted, the information in these Schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

INTRODUCTION TO THE STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends	86
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	
Revenue Capacity	91
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	
Debt Capacity	95
These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue additional debt in the future.	
Demographic and Economic Information	99
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	
Operating Information	101
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

NET POSITION BY COMPONENT
Last Ten Fiscal Years

(Accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,140,781	\$ 1,203,326	\$ 1,156,245	\$ 1,788,759	\$ 1,906,829	\$ 1,203,554	\$ 1,623,436	\$ 1,760,707	\$ 1,921,635	\$ 2,055,024
Restricted	830,399	704,833	311,471	457,492	706,815	1,010,994	1,618,999	1,341,775	1,240,925	955,087
Unrestricted	(821,558)	(909,670)	(652,961)	(1,109,637)	(1,381,240)	(832,505)	(1,339,855)	(931,942)	(1,028,628)	(1,010,781)
Total governmental activities net position	<u>\$ 1,149,622</u>	<u>\$ 998,489</u>	<u>\$ 814,755</u>	<u>\$ 1,136,614</u>	<u>\$ 1,232,404</u>	<u>\$ 1,382,043</u>	<u>\$ 1,902,580</u>	<u>\$ 2,170,540</u>	<u>\$ 2,133,932</u>	<u>\$ 1,999,330</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 9,371	\$ 11,366	\$ 5,048	\$ 6,722	\$ 10,637	\$ 14,728	\$ 16,274	\$ 20,196	\$ 21,666	\$ 25,726
Unrestricted	164,797	110,963	75,208	51,868	36,169	31,527	26,335	23,725	8,649	31,443
Total business-type activities net position	<u>\$ 174,168</u>	<u>\$ 122,329</u>	<u>\$ 80,256</u>	<u>\$ 58,590</u>	<u>\$ 46,806</u>	<u>\$ 46,255</u>	<u>\$ 42,609</u>	<u>\$ 43,921</u>	<u>\$ 30,315</u>	<u>\$ 57,169</u>
School District-wide										
Invested in capital assets, net of related debt	\$ 1,150,152	\$ 1,214,692	\$ 1,161,293	\$ 1,795,481	\$ 1,917,466	\$ 1,218,282	\$ 1,639,710	\$ 1,780,903	\$ 1,943,301	\$ 2,080,750
Restricted	830,399	704,833	311,471	457,492	706,815	1,010,994	1,618,999	1,341,775	1,240,925	955,087
Unrestricted	(656,761)	(798,707)	(577,753)	(1,057,769)	(1,345,071)	(800,978)	(1,313,520)	(908,217)	(1,019,979)	(979,338)
Total School District net position	<u>\$ 1,323,790</u>	<u>\$ 1,120,818</u>	<u>\$ 895,011</u>	<u>\$ 1,195,204</u>	<u>\$ 1,279,210</u>	<u>\$ 1,428,298</u>	<u>\$ 1,945,189</u>	<u>\$ 2,214,461</u>	<u>\$ 2,164,247</u>	<u>\$ 2,056,499</u>

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,216,767	\$ 4,388,538	\$ 4,508,531	\$ 4,754,930	\$ 4,612,282	\$ 4,441,596	\$ 4,752,348	\$ 4,520,330	\$ 4,320,854	\$ 3,919,320
Special education	2,282,334	2,962,240	2,733,101	3,029,333	2,649,293	2,571,362	2,635,357	2,292,637	2,046,776	1,951,066
Other instruction	62,576	129,788	195,861	95,672	128,470	115,487	122,780	126,125	93,580	61,673
Unallocated										
Capital Outlay	20,296	-	-	-	-	-	-	-	-	-
Student and instruction related services	1,338,141	1,259,712	1,249,364	1,176,523	1,057,313	10,352,890	951,447	916,291	764,874	723,951
General administration	509,585	411,461	526,076	484,532	400,315	330,824	360,737	321,192	309,351	594,827
School Administrative Services	390,768	507,250	711,321	609,173	564,869	524,556	516,772	423,325	397,398	885,943
Plant Operations and Maintenance	755,051	713,088	789,801	793,611	897,799	862,939	877,017	811,848	763,458	167,713
Pupil transportation	745,744	710,206	774,244	663,620	486,160	363,450	436,041	344,834	390,880	30,013
Interest on long-term debt	198,833	202,022	148,682	202,149	214,463	224,625	232,839	242,108	250,684	262,924
Depreciation	611,504	-	-	-	-	829,733	829,733	828,937	830,609	813,483
Total governmental activities expenses	12,131,599	11,284,305	11,636,981	11,809,543	11,010,964	20,617,462	11,715,071	10,827,627	10,168,464	9,410,913
Business-type activities:										
Food service	134,887	126,039	163,462	86,145	85,625	123,452	128,788	117,141	151,068	144,414
Total district expenses	12,266,486	11,410,344	11,800,443	11,895,688	11,096,589	20,740,914	11,843,859	10,944,768	10,319,532	9,555,327
Program Revenues										
Governmental activities:										
Charges for services:	21,454	-	48,693	32,171	-	-	-	-	-	-
Operating grants and contributions	1,350,613	1,012,828	1,530,015	2,085,594	1,309,587	1,740,805	2,255,568	1,875,813	1,396,825	1,185,024
Total governmental activities program revenues	1,372,067	1,012,828	1,578,708	2,117,765	1,309,587	1,740,805	2,255,568	1,875,813	1,396,825	1,185,024
Business-type activities:										
Charges for services										
Food service	94,793	89,161	1,675	-	51,636	83,065	78,821	84,404	77,743	80,751
Operating grants and contributions	91,933	78,851	183,453	97,929	34,541	44,033	48,655	43,344	46,471	43,180
Total business-type activities program revenues	186,726	168,012	185,128	97,929	86,177	127,098	127,476	127,748	124,214	123,931
Total district program revenues	1,558,793	1,180,840	1,763,836	2,215,694	1,395,764	1,867,903	2,383,044	2,003,561	1,521,039	1,308,955
Net (Expense)/Revenue										
Governmental activities	(10,759,532)	(10,271,477)	(10,058,274)	(9,691,780)	(9,701,376)	(9,559,056)	(9,459,503)	(8,951,814)	(8,771,639)	(8,225,889)
Business-type activities	51,839	41,973	21,666	11,784	552	3,646	(1,312)	13,606	(26,854)	(20,483)
Total district-wide net expense	(10,707,693)	(10,229,504)	(10,036,608)	(9,679,996)	(9,700,824)	(9,555,410)	(9,460,815)	(8,938,208)	(8,798,493)	(8,246,372)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	9,105,550	8,774,764	8,347,550	8,183,873	7,949,970	7,801,737	7,648,762	7,506,145	7,402,118	7,256,978
Taxes levied for debt service	513,125	518,287	531,800	530,000	526,625	407,718	519,850	518,400	516,276	388,710
Grants and contributions	919,873	788,411	743,977	686,078	644,005	615,344	552,944	516,996	503,041	520,846
Miscellaneous income	372,117	373,748	113,086	85,130	95,665	213,720	134,537	111,510	149,336	129,978
Total governmental activities	10,910,665	10,455,210	9,736,413	9,485,081	9,216,265	9,038,519	8,856,093	8,653,051	8,570,771	8,296,512
Changes in Net Position										
Governmental activities	151,133	183,733	(321,861)	(206,699)	(485,111)	(520,537)	(603,410)	(298,763)	(200,868)	70,623
Business-type activities	51,839	41,973	21,666	11,784	552	3,646	(1,312)	13,606	(26,854)	(20,483)
Total school district-wide	\$ 202,972	\$ 225,706	\$ (300,195)	\$ (194,915)	\$ (484,559)	\$ (516,891)	\$ (604,722)	\$ (285,157)	\$ (227,722)	\$ 50,140

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ -	\$ 10,349	\$ 7,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	862,537	527,282	323,060	502,514	801,644	1,110,155	1,722,354	1,449,117	1,262,662	980,163
Committed	40,231	250,000	350,417	288,907	62,362	34,990	-	-	-	-
Assigned	76,816	167,616	147,341	18,485	254,265	535,294	25,285	329,185	105,795	62,243
Unassigned	<u>329,253</u>	<u>267,515</u>	<u>396,661</u>	<u>300,051</u>	<u>-</u>	<u>264,884</u>	<u>243,456</u>	<u>209,881</u>	<u>212,924</u>	<u>234,015</u>
Total general fund	<u>\$ 1,308,837</u>	<u>\$ 1,222,762</u>	<u>\$ 1,225,189</u>	<u>\$ 1,109,957</u>	<u>\$ 1,118,271</u>	<u>\$ 1,945,323</u>	<u>\$ 1,991,095</u>	<u>\$ 1,988,183</u>	<u>\$ 1,581,381</u>	<u>\$ 1,276,421</u>
All Other Governmental Funds										
Restricted:										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,455	\$ 89,455
Special revenue fund	<u>22,756</u>	<u>21,967</u>	<u>39,072</u>	<u>43,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,331,593</u>	<u>\$ 1,244,729</u>	<u>\$ 1,264,261</u>	<u>\$ 1,153,714</u>	<u>\$ 1,118,271</u>	<u>\$ 1,945,323</u>	<u>\$ 1,991,095</u>	<u>\$ 1,988,183</u>	<u>\$ 1,670,836</u>	<u>\$ 1,365,876</u>

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GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

EXHIBIT J-4

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Local Sources:										
Local tax levy	\$ 9,618,675	\$ 9,293,051	\$ 8,879,350	\$ 8,714,173	\$ 8,476,595	\$ 8,209,455	\$ 8,168,612	\$ 8,024,545	\$ 7,918,394	\$ 7,645,688
Miscellaneous	228,308	373,749	178,052	119,151	97,966	213,930	142,321	111,510	149,336	129,978
State sources	2,492,415	2,252,181	2,110,367	1,790,138	1,531,563	1,501,333	1,311,195	1,154,333	1,049,267	1,001,698
Federal sources	463,263	270,355	320,829	192,197	157,148	161,467	138,263	147,112	152,593	153,467
Total Revenues	<u>12,824,115</u>	<u>12,189,336</u>	<u>11,488,598</u>	<u>10,815,659</u>	<u>10,263,272</u>	<u>10,086,185</u>	<u>9,760,391</u>	<u>9,437,500</u>	<u>9,269,590</u>	<u>8,930,831</u>
Current expense										
Instruction	3,083,507	2,827,652	2,740,544	2,394,379	2,525,765	2,432,284	2,445,551	2,318,589	2,181,915	2,178,239
Administrative cost	1,879,677	585,001	539,238	553,910	541,671	533,200	417,015	408,509	380,750	361,650
Support services	5,480,716	8,071,687	7,263,043	7,037,517	6,318,402	6,207,026	5,683,458	5,539,990	5,163,605	5,622,176
Capital outlay	207,686	382,626	303,426	717,342	220,194	65,119	55,730	398,458	377,664	80,911
TPAF - FICA Reimbursement	213,136	-	-	-	-	-	-	-	-	-
TPAF - On-behalf payments	1,359,406	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	315,000	360,000	345,000	315,000	305,000	290,000	280,000	270,000	255,000	245,000
Interest and other charges	198,125	158,267	186,800	211,625	220,925	229,850	238,400	246,650	255,641	265,316
Payment of refund escrow agent	-	-	-	-	-	-	-	-	-	577,577
Cost of issuance of refunding bonds	-	-	68,327	-	-	-	-	-	-	98,552
Total Expenditures	<u>12,737,253</u>	<u>12,385,233</u>	<u>11,446,378</u>	<u>11,229,773</u>	<u>10,131,957</u>	<u>9,757,479</u>	<u>9,120,154</u>	<u>9,182,196</u>	<u>8,614,575</u>	<u>9,429,421</u>
Excess (Deficiency) of Revenues										
Over Expenditures	<u>86,862</u>	<u>(195,897)</u>	<u>42,220</u>	<u>(414,114)</u>	<u>131,315</u>	<u>328,706</u>	<u>640,237</u>	<u>255,304</u>	<u>655,015</u>	<u>(498,590)</u>
Other financing sources(uses):										
Refunding bond proceeds	-	-	4,120,000	-	-	-	-	-	-	-
Payment to refunding bonds escrow	-	-	(4,614,634)	-	-	-	-	-	-	-
Original issue premium	-	-	562,961	-	-	-	-	-	-	-
Unemployment trust fund decrease	-	(4,185)	-	-	-	-	-	-	-	-
Capital leases	-	180,551	-	-	139,449	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-	217,193	-
Total other financing sources/(uses)	<u>-</u>	<u>176,366</u>	<u>68,327</u>	<u>-</u>	<u>139,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,193</u>	<u>-</u>
Net change in fund balances	<u>\$ 86,862</u>	<u>\$ (19,531)</u>	<u>\$ 110,547</u>	<u>\$ (414,114)</u>	<u>\$ 270,764</u>	<u>\$ 328,706</u>	<u>\$ 640,237</u>	<u>\$ 255,304</u>	<u>\$ 872,208</u>	<u>\$ (498,590)</u>
Debt service as a percentage of noncapital expenditures										
	4.91%	4.51%	5.04%	5.27%	5.60%	5.67%	6.07%	6.25%	6.61%	6.25%

Source: School District's records.

Note: Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)****GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
Last Ten Fiscal Years**

Unaudited

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
2024	\$ 18,367	\$ 206,402	\$ 224,769
2023	11,141	309,003	320,144
2022	1,411	57,193	58,604
2021	1,526	83,604	85,130
2020	19,308	78,658	97,966
2019	33,318	95,512	128,830
2018	10,007	44,826	54,833
2017	5,981	71,038	77,019
2016	3,917	47,831	51,748
2015	3,141	19,988	23,129

Source: District Records

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
UNAUDITED**

Year	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2024	\$ 9,828,800	\$ 530,855,700	\$ 184,718,700	\$ 14,273,100	\$ 9,213,000	\$ 748,889,300	\$ 429,636	\$ 749,318,936	*	\$ -
2023	9,828,800	530,855,700	184,718,700	14,273,100	9,213,000	748,889,300	429,636	749,318,936	-	1.263
2022	9,252,800	529,400,100	184,407,000	14,273,100	9,213,000	746,546,000	455,320	747,001,320	95.010	1.238
2021	9,757,800	524,928,300	181,498,400	13,723,000	9,213,000	739,120,500	472,933	739,593,433	*	1.167
2020	9,887,800	524,364,500	180,864,200	13,723,000	9,213,000	738,052,500	473,011	738,525,511	*	1.142
2019	3,224,700	134,034,600	41,740,700	2,930,200	2,092,000	184,022,200	117,221	184,139,421	25.17%	4.606
2018	2,430,700	133,737,200	41,842,700	3,943,000	2,092,000	184,045,600	117,394	184,162,994	25.54%	4.420
2017	813,500	134,037,600	43,261,900	6,466,300	2,092,000	186,671,300	130,257	186,801,557	28.02%	4.338
2016	845,400	133,637,600	43,561,500	6,466,300	2,092,000	186,602,800	136,185	186,738,985	29.63%	4.273
2015	915,800	133,517,300	43,514,000	6,556,800	2,092,000	186,595,900	134,426	186,730,326	29.21%	4.221

*= Not available at the time of audit

Source: District records tax list summary and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

(b): Tax rates are per \$100

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
UNAUDITED**

Year ended December 31,	Township of Garwood			Overlapping rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Garwood	Union County	
2024	1.193	0.070	1.263	0.966	0.475	2.704
2023	1.193	0.070	1.263	0.966	0.475	2.704
2022	1.164	0.074	1.238	0.912	0.482	2.632
2021	1.096	0.071	1.167	0.893	0.498	2.558
2020	1.071	0.071	1.142	0.874	0.501	2.517
2019	4.313	0.293	4.606	3.424	2.091	10.121
2018	4.134	0.286	4.420	3.390	2.095	9.905
2017	4.055	0.283	4.338	3.376	1.951	9.665
2016	4.056	0.217	4.273	3.192	1.839	9.304
2015	3.699	0.158	3.857	3.098	1.861	8.816

Source: District records tax list summary and Municipal Tax Assessor
(Rates are per \$100 of assessed value)

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

(A) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
Last Ten Fiscal Years
UNAUDITED

2024				2015			
Taxpayer	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Garwood Mall Association	\$ 21,733,600	1	2.90%	ACP Partnership	\$ 5,042,700	1	2.69%
ACP Partnership				Garwood Mall Association	4,090,800	2	2.18%
Village Supermarket, Inc.				Village Supermarket, Inc.	3,728,300	3	1.99%
Lofts at Garwood LLC				Lofts at Garwood LLC	2,781,200	4	1.49%
LIDL US Operations				Garwood LLC Home Depot 6903	2,246,100	5	1.20%
Garwood, LLC %Home Depot				Gator Garwood Prtnrs Ltd	2,200,000	6	1.17%
The Lofts @ Garwood II, Inc.				Casale Industries, Inc	1,539,100	7	0.83%
Garwood Plaza, LLC C/O Comm				Westwood Lanes, Inc	1,460,800	8	0.78%
Westwood Lanes, Inc.				Petro Plastics	1,279,100	9	0.67%
Garwood Realty Inc.				Garwood Plaza, LLC	1,257,600	10	<u>0.65%</u>
Total	<u>\$ 21,733,600</u>		<u>2.90%</u>	Total	<u>\$ 25,625,700</u>		<u>13.65%</u>

Source:Municipal Tax Assessor

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Taxes levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2024	\$ 9,798,592	\$ 9,798,592	100.00%	\$ -
2023	9,293,051	9,293,051	100.00%	-
2022	8,879,350	8,879,350	100.00%	-
2021	8,183,873	8,183,873	100.00%	-
2020	8,476,595	7,843,094	92.53%	633,501
2019	8,209,455	7,575,954	92.28%	633,501
2018	8,168,612	8,168,612	100.00%	-
2017	8,168,612	7,415,034	90.77%	753,578
2016	8,024,545	8,024,545	100.00%	-
2015	7,918,394	7,918,394	100.00%	-

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

Note: 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, the amount voted upon or certified prior to the end of the school year.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	General Obligation Bonds	Installment Purchase Contracts	Total District	Percentage of Personal Income (a)	Per Capita (a)
2024	\$ 3,805,000	\$ 200,869	\$ 4,005,869	*	\$ 856.51
2023	4,120,000	169,391	4,289,391	1.70%	856.51
2022	4,480,000	56,940	4,536,940	1.70%	1,032.77
2021	5,240,000	86,900	5,326,900	1.36%	1,231.65
2020	5,570,000	141,240	5,711,240	1.21%	1,311.42
2019	5,885,000	75,792	5,960,792	1.13%	1,368.72
2018	6,190,000	116,226	6,306,226	1.02%	1,452.38
2017	6,480,000	155,537	6,635,537	0.93%	1,532.46
2016	6,760,000	194,971	6,954,971	0.87%	1,613.31
2015	7,030,000	15,742	7,045,742	0.83%	1,636.26

Source: District ACFR Schedules I-1, I-2

* - data not available

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

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for calendar year.

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

RATIOS OF NET BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 3,805,000	\$ -	\$ 3,805,000	0.55%	\$ 822.68
2023	4,120,000	-	4,120,000	0.55%	822.68
2022	4,480,000	-	4,480,000	0.60%	1,019.80
2021	5,240,000	-	5,240,000	0.71%	1,211.56
2020	5,570,000	-	5,570,000	0.75%	1,278.99
2019	5,885,000	-	5,885,000	3.20%	1,351.32
2018	6,190,000	-	6,190,000	3.36%	1,425.61
2017	6,480,000	-	6,480,000	3.47%	1,496.54
2016	6,760,000	-	6,760,000	3.62%	1,568.08
2015	7,030,000	-	7,030,000	3.76%	1,632.61

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2024

UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Borough of Garwood	\$ 6,815,750	100.00%	\$ 6,815,750
Other debt Union County	140,865,247	1.88%	<u>2,648,267</u>
Subtotal, overlapping debt			9,464,017
Borough of Garwood School District Direct Debt			<u>3,805,000</u>
Total direct and overlapping debt			<u>\$ 13,269,017</u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

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

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

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
UNAUDITED

Legal Debt Margin Calculation

Equalized Valuation Basis

Calendar Year

2023	\$	915,512,592	
2022		857,015,268	
2021		777,939,691	
	[A]	<u>2,550,467,551</u>	
Average Equalized Valuation of Taxable Property	[A/3]	\$ 850,155,850	
Debt Limit (4% of average equalization value)	[B]	34,006,234	(a)
Total Net Debt Applicable to Limit	[C]	<u>3,805,000</u>	
Legal Debt Margin	[B-C]	<u>\$ 30,201,234</u>	

	<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	\$ 34,006,234	\$ 23,797,103	\$ 22,398,509	\$ 21,934,120	\$ 21,795,545	\$ 21,283,615	\$ 20,266,140	\$ 19,359,185	\$ 19,104,935	\$ 19,309,957
Total Net Debt Applicable to Limit	<u>3,805,000</u>	<u>4,120,000</u>	<u>4,480,000</u>	<u>5,240,000</u>	<u>5,570,000</u>	<u>5,885,000</u>	<u>6,190,000</u>	<u>6,480,000</u>	<u>6,760,000</u>	<u>7,030,000</u>
Legal Debt Margin	<u>\$ 30,201,234</u>	<u>\$ 19,677,103</u>	<u>\$ 17,918,509</u>	<u>\$ 16,694,120</u>	<u>\$ 16,225,545</u>	<u>\$ 15,398,615</u>	<u>\$ 14,076,140</u>	<u>\$ 12,879,185</u>	<u>\$ 12,344,935</u>	<u>\$ 12,279,957</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	11.19%	17.31%	20.00%	23.89%	25.56%	27.65%	30.54%	33.47%	35.38%	36.41%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2024	**	**	**	**
2023	5,161	**	**	4.20%
2022	5,008	383,692,928	76,616	3.70%
2021	4,393	338,291,751	77,007	5.40%
2020	4,325	313,748,475	72,543	9.80%
2019	4,355	299,044,785	68,667	3.40%
2018	4,355	293,291,830	67,346	4.00%
2017	4,342	279,372,964	64,342	4.50%
2016	4,330	268,364,740	61,978	5.00%
2015	4,311	261,229,356	60,596	5.50%

** Data not available

Source:

^a U.S. Census Bureau, Population Division

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income was computed using Census Bureau midyear population estimates. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Estimates for 2010-2017 reflect county population estimates available as of March 6, 2019

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago**

	2024			2015		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

Information not available

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

<u>Function/Program</u>	<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	31.0	31.0	22.0	22.0	21.0	21.0	23.0	22.5	21.4	21.3
Special education	7.0	7.0	13.0	13.0	13.0	13.0	9.0	10.6	10.7	8.5
Support Services										
Student & instruction related services	14.0	14.0	13.0	13.0	12.0	12.0	12.0	12.2	11.9	13.2
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.3	1.4
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8
Plant operations and maintenance	5.0	5.0	5.0	6.0	5.7	5.7	5.7	5.7	5.7	5.7
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.4
Business administrative services	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>2.0</u>	<u>1.6</u>	<u>1.1</u>	<u>1.1</u>	<u>1.3</u>	<u>1.1</u>	<u>1.0</u>
Total	<u>63.1</u>	<u>63.1</u>	<u>59.1</u>	<u>60.5</u>	<u>57.8</u>	<u>57.3</u>	<u>54.9</u>	<u>56.4</u>	<u>55.2</u>	<u>53.3</u>

Source:District personnel records

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

OPERATING STATISTICS

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2024	377	\$ 11,655,794.00	\$ 30,917.23	-2.55%	38.00	9.92:1	352	340	-2.22%	96.68%
2023	360	11,414,130.10	31,705.92	6.86%	38.00	9.5:1	360	337	0.84%	93.61%
2022	357	10,542,824.91	29,531.72	3.08%	35.00	10.2:1	357	331	1.13%	92.72%
2021	358	10,247,219.49	28,623.52	3.09%	35.00	10.2:1	353	341	-2.22%	96.60%
2020	360	9,985,806.33	27,738.35	11.19%	34.00	10.6:1	361	347	-4.50%	96.12%
2019	381	9,385,838.09	24,634.75	4.04%	34.00	11.2:1	378	358	1.61%	94.71%
2018	388	9,172,510.54	23,640.49	5.98%	34.00	11.4:1	372	353	-2.36%	94.89%
2017	387	8,601,753.43	22,226.75	-2.18%	35.00	11.1:1	381	363	3.25%	95.28%
2016	364	8,267,089.61	22,711.78	8.55%	36.00	10.1:1	369	352	-0.81%	95.39%
2015	372	7,726,269.65	20,769.54	-	37.00	10.1:1	372	361	-2.87%	97.04%

Source: District Records

Note: Enrollment based on annual October district count.

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

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>District Building</u>										
Elementary Schools (s):										
Washington School (Building Not Used)										
Square Feet	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Elementary/Middle School(s):										
Lincoln Franklin School										
Square Feet	6,747	6,747	67,487	67,487	67,487	67,487	67,487	67,487	67,487	67,487
Capacity (students)	503	503	503	503	503	503	503	503	503	503
Enrollment	342	360	357	358	360	387	387	387	364	372

Number of Schools at June 30, 2024

Elementary / Middle = 1

Source: District Records

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

Enrollment is based on the annual October district count.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**SCHEDULE OF ALLOWABLE REQUIRED MAINTENANCE
EXPENDITURES BY SCHOOL FACILITY
Last Ten Fiscal Years**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	Total	Washington School	Lincoln Franklin School
2024	\$ 169,432	\$ -	\$ 169,432
2023	155,931	-	155,931
2022	167,532	-	167,532
2021	135,484	-	135,484
2020	170,631	-	170,631
2019	117,945	-	117,945
2018	183,973	-	183,973
2017	173,897	-	173,897
2016	165,164	-	165,164
2015	85,235	-	85,235
Total	<u>\$ 1,525,224</u>	<u>\$ -</u>	<u>\$ 1,525,224</u>

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

Source: District Records

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

INSURANCE SCHEDULE

June 30, 2024

	Coverage	Deductible
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & Personal Property (per occurrence)	\$ 350,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & records	10,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	
Loss of Business Income Tuition	33,000	
Limited Builders Risk	10,000,000	
First Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup and Removal	250,000	
Flood/Earthquake:		
Flood Zone A&V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	
Electronic Data Processing:		
Data Processing Equipment Including Data and Media, Extra Expense, Business Income, Duplicates, Transit and Debris Removal	350,000,000	250,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
Equipment Breakdown		
Combined Single Limit Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Contingent Business Income	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage:		
Public Employee Dishonesty	50,000	1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	50,000	1,000
Money Orders & Counterfeit Paper Currency	50,000	1,000
Computer Fraud	50,000	1,000
Public Officials Bond		
Business Administrator - B Pinto (RLI Ins Co)	200,000	
General Liability:		
Bodily Injury & Property Damage	16,000,000	
Products & Completed Operations	16,000,000	
Sexual Abuse	15,000,000/occurrence	
	15,000,000/per member	
	15,000,000 aggregate	
Communicable Disease Outbreak	1,000,000/occurrence	
	9,000,000 aggregate	
Personal Injury & Advertising Injury	16,000,000	
Employee Benefits Liability	16,000,000	1,000
Premises Medical Payments	10,000 per person	
	5,000 per person	
Terrorism	1,000,000	
Automotive Coverage:		
Bodily Injury & Property Damage Single Limit	16,000,000	1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	
Underinsured	1,000,000	
Terrorism	1,000,000	
Garagekeepers	Included	2,500

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

INSURANCE SCHEDULE

June 30, 2024

	<u>Coverage</u>	<u>Deductible</u>
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	16,000,000	5,000
Coverage B - defense costs for specific administrative actions	100,000/claim	5,000
	300,000/aggregate	5,000
Retro Date	31,594	
Workers' Compensation		
Part One	Statutory	5,000
Part Two		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
Student Accident		
Voluntary Only (Parent Paid)	25,000	1,000

Source: District Records

SINGLE AUDIT SECTION

EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

To the Honorable President and
Members of the Board of Education
Garwood Public School District
Union County, New Jersey

We have audited, in accordance with the 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 the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Garwood Public School District (the District), in the County of Union, 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 District's basic financial statements, and have issued our report thereon dated March 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

INDEPENDENT AUDITOR'S 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 - CONTINUED

deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a material weakness.

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

However, we noted certain matters that we have reported to the Board of Education of Garwood Public School District in the County of Essex, New Jersey in a separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, dated March 18, 2025.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Galleros Robinson CPAs, LLP
Certified Public Accountants

March 25, 2025
Cream Ridge, New Jersey



EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY OMB CIRCULAR LETTER 15-08

To the Honorable President and
Members of the Board of Education
Garwood Public School District
Union County, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Garwood Public School District's (the "District") in the County of Union, State of New Jersey compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state program for the fiscal year ended June 30, 2024. The District's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis of Opinion on Each Major State Program

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY OMB CIRCULAR LETTER 15-08 - CONTINUED

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the New Jersey OMB Circular Letter 15-08, we:

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY OMB CIRCULAR LETTER 15-08 - CONTINUED

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

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 New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.


Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400


Galleros Robinson CPAs, LLP
Certified Public Accountants

March 25, 2025
Cream Ridge, New Jersey

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

EXHIBIT K-3
SCHEDULE A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing No.	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2024		
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
Special Revenue Fund:														
U.S. Department of Education:														
Passed-through New Jersey State Department of Education														
Title I Part A, Grants to Local Educational Agencies	84.010	S010A230030	ESSA-1710-24	\$ 46,107	7/1/2023	9/30/2024	\$ -	\$ -	\$ 32,848	\$ (46,107)	\$ -	\$ (13,259)	\$ -	\$ -
Title I Part A, Grants to Local Educational Agencies	84.010	S010A220030	ESSA-1710-23	21,550	7/1/2022	9/30/2023	(15,155)	-	15,155	-	-	-	-	-
Subtotal Title I Part A							(15,155)	-	48,003	(46,107)	-	(13,259)	-	-
Title II Part A, Supporting Effective Instruction State Grant	84.367	S367A230029	ESSA-1710-24	13,398	7/1/2023	9/30/2024	-	-	5,500	(13,398)	-	(7,898)	-	-
Title II Part A, Supporting Effective Instruction State Grant	84.367	S367A220029	ESSA-1710-23	18,435	7/1/2022	9/30/2023	(6,570)	-	6,570	-	-	-	-	-
Subtotal Title II Part A							(6,570)	-	12,070	(13,398)	-	(7,898)	-	-
Title IV - Student Support and Academic Enrichment	84.424	S424A230031	ESSA-1710-24	10,502	7/1/2023	9/30/2024	-	-	7,875	(10,502)	-	(2,627)	-	-
Title IV - Student Support and Academic Enrichment	84.424	S424A220031	ESSA-1710-23	10,000	7/1/2022	9/30/2023	(999)	-	999	-	-	-	-	-
Subtotal Title IV							(999)	-	8,874	(10,502)	-	(2,627)	-	-
Special Education Cluster														
Individuals with Disabilities - Part B Basic	84.027	H027A230100	IDEA-1710-24	109,283	7/1/2023	9/30/2024	-	-	109,283	(109,283)	-	-	-	-
Individuals with Disabilities - Part B Basic	84.027	H027A220100	IDEA-1710-23	101,412	7/1/2022	9/30/2023	(34,301)	-	-	-	-	-	-	-
Individuals with Disabilities - Preschool	84.173	H173A230114	IDEA-1710-24	3,693	7/1/2023	9/30/2024	-	-	3,693	(3,693)	-	-	-	-
Individuals with Disabilities - Preschool	84.173	H173A220114	IDEA-1710-23	3,655	7/1/2022	9/30/2023	(3,435)	-	3,435	-	-	-	-	-
Subtotal Special Education Cluster							(37,736)	-	116,411	(112,976)	-	-	-	-
COVID-19 - Education Stabilization Fund														
COVID-19 - CRRSA Act ESSER II - Mental Health	84.425D	S425D210027	N/A	45,000	3/13/2020	9/30/2023	-	-	10,875	(10,875)	-	-	-	-
COVID-19 - American Rescue Plan (ARP) - ESSER	84.425U	S425U210027	N/A	238,126	3/13/2020	9/30/2024	(53,954)	-	79,679	(141,589)	-	(115,864)	-	-
COVID-19 - American Rescue Plan - ESSER Subgrants														
Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	N/A	50,000	3/13/2020	9/30/2024	(346)	-	20,701	(33,483)	-	(13,128)	-	-
Evidence-Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/13/2020	9/30/2024	(6,145)	-	-	(28,500)	-	(34,645)	-	-
Evidence-Based Summer Learning and Enrichment Activities Grant	84.425U	S425U210027	N/A	40,000	3/13/2020	9/30/2024	-	-	-	(20,833)	-	(20,833)	-	-
NJTSS Mental Health Support Staffing Grant	84.425U	S425U210027	N/A	45,000	3/13/2020	9/30/2024	-	-	-	(45,000)	-	(45,000)	-	-
Subtotal COVID-19 - Education Stabilization Fund							(60,445)	-	111,255	(280,280)	-	(229,470)	-	-
Total U.S. Department of Education							(120,905)	-	296,613	(463,263)	-	(253,254)	-	-
Total Special Revenue Fund							(120,905)	-	296,613	(463,263)	-	(253,254)	-	-
U.S. Department of Agriculture														
Passed-through New Jersey State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster														
School Breakfast Program	10.553	241NJ304N1099	N/A	3,781	7/1/2023	6/30/2024	-	-	3,561	(3,781)	-	(220)	-	-
School Breakfast Program	10.553	231NJ304N1099	N/A	42,230	7/1/2022	6/30/2023	(135)	-	135	-	-	-	-	-
National School Lunch Program	10.555	241NJ304N1099	N/A	45,316	7/1/2023	6/30/2024	-	-	42,460	(45,316)	-	(2,856)	-	-
National School Lunch Program	10.555	231NJ304N1099	N/A	49,456	7/1/2022	6/30/2023	(3,393)	-	3,393	-	-	-	-	-
National School Lunch Program - Food distribution	10.555	231NJ304N1099	N/A	3,673	7/1/2022	6/30/2023	3,673	-	-	(3,673)	-	-	-	-
Supply Chain Assistance (SCA)	10.555	241NJ344N8903	N/A	13,059	7/1/2023	6/30/2024	-	-	13,059	(13,059)	-	-	-	-
Supply Chain Assistance (SCA)	10.555	231NJ344N8903	N/A	22,176	7/1/2022	6/30/2023	(22,176)	-	-	(22,176)	-	-	-	-
Subtotal Child Nutrition Cluster							22,321	-	62,608	(88,005)	-	(3,076)	-	-
Pandemi EBT	10.649	2022225900941	N/A	653	7/1/2023	6/30/2024	-	-	-	(653)	-	-	-	-
Total U.S. Department of Agriculture							22,321	-	62,608	(88,658)	-	(3,076)	-	-
Total Expenditures of Federal Awards							\$ (98,584)	\$ -	\$ 359,221	\$ (551,921)	\$ -	\$ (256,330)	\$ -	\$ -

GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)

EXHIBIT K-4
SCHEDULE B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Adjustments Repayment Prior Year's Balances	Balance at June 30, 2024			MEMO		
				Deferred Revenue (Accounts Receivable)	Due to Grantor					Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure	
New Jersey State Department of Education															
General Fund:															
State Aid Cluster:															
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 77,425	\$ -	\$ -	\$ -	\$ 69,682	\$ (77,425)	\$ -	\$ (7,743)	\$ -	\$ -	\$ 7,743	\$ 77,425	
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	77,425	(7,366)	-	-	7,366	-	-	-	-	-	-	-	
Adjustment Aid	24-495-034-5120-085	7/1/23-6/30/24	3,963	-	-	-	3,567	(3,963)	-	(396)	-	-	396	3,963	
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	3,963	(377)	-	-	377	-	-	-	-	-	-	-	
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	520,619	-	-	-	439,711	(520,619)	-	(80,908)	-	-	80,908	520,619	
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	429,755	(40,888)	-	-	40,888	-	-	-	-	-	-	-	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	11,310	-	-	-	10,179	(11,310)	-	(1,131)	-	-	1,131	11,310	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	11,310	(1,076)	-	-	1,076	-	-	-	-	-	-	-	
Total State Aid Cluster				(49,707)	-	-	572,846	(613,317)	-	(90,178)	-	-	90,178	613,317	
Other General Fund															
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	88,326	-	-	-	86,922	(88,326)	-	(1,404)	-	-	1,404	88,326	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	88,326	(8,404)	-	-	8,404	-	-	-	-	-	-	-	
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	170,834	-	-	-	-	(170,834)	-	(170,834)	-	-	170,834	170,834	
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	161,026	(161,026)	-	-	161,026	-	-	-	-	-	-	-	
Reimbursed Social Security Tax	24-495-034-5094-003	7/1/23-6/30/24	213,136	-	-	-	202,312	(213,136)	-	(10,824)	-	-	10,824	213,136	
Reimbursed Social Security Tax	23-495-034-5094-003	7/1/22-6/30/23	207,026	(10,331)	-	-	10,331	-	-	-	-	-	-	-	
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	7/1/23-6/30/24	1,068,239	-	-	-	1,068,239	(1,068,239)	-	-	-	-	-	1,068,239	
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	290,736	-	-	-	290,736	(290,736)	-	-	-	-	-	290,736	
On-Behalf- Teachers' Pension and Annuity Fund – Non-contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	431	-	-	-	431	(431)	-	-	-	-	-	431	
Total General Fund				(229,468)	-	-	2,401,247	(2,445,019)	-	(273,240)	-	-	273,240	2,445,019	
Special Revenue Fund:															
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	80,866	-	-	-	195,078	(80,866)	-	-	114,212	-	-	80,866	
SDA Emergent Needs Capital Maintenance	N/A	7/1/22-6/30/23	7,968	7,968	-	-	-	-	-	-	7,968	-	-	-	
				7,968	-	-	195,078	(80,866)	-	-	122,180	-	-	80,866	
Enterprise Fund:															
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	2,379	-	-	-	2,224	(2,379)	-	(155)	-	-	155	2,379	
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	1,677	(127)	-	-	127	-	-	-	-	-	-	-	
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	80	-	-	-	76	(80)	-	(4)	-	-	4	80	
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	37	(3)	-	-	3	-	-	-	-	-	-	-	
State School Lunch Program - NJEIE	24-100-010-3350-023	7/1/23-6/30/24	770	-	-	-	736	(770)	-	(34)	-	-	34	770	
State School Breakfast Program - NJEIE	24-100-010-3350-023	7/1/23-6/30/24	46	-	-	-	46	(46)	-	-	-	-	-	46	
Total Enterprise Fund				(130)	-	-	3,212	(3,275)	-	(193)	-	-	193	3,275	
Total Expenditures of State Financial Assistance				\$ (221,630)	\$ -	\$ -	\$ 2,599,537	\$ (2,529,160)	\$ -	\$ (273,433)	\$ 122,180	\$ -	\$ 273,433	\$ 2,529,160	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002							1,068,239							
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	24-495-034-5094-001							290,736							
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	24-495-034-5094-004							431							
								1,359,406							
Total for State Financial Assistance-Major Program Determination								\$ (1,169,754)							

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)****NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE****FISCAL YEAR ENDED JUNE 30, 2024****NOTE 1 GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Garwood Public School District. The Board of Education is defined in Note 1 to the District's basic financial statements. 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 is included on the schedule of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of those recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Letter Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with the amounts reported in the District's basic financial statements. The basic financial statements present the special revenue fund on both GAAP and budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE - CONTINUED**

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS - CONTINUED

	Federal	State	Total
General Fund	\$ -	\$ 1,085,613	\$ 1,085,613
Special Revenue Fund	463,263	80,866	544,129
Enterprise Fund	88,658	3,275	91,933
Total	<u>\$ 551,921</u>	<u>\$ 1,169,754</u>	<u>\$ 1,721,675</u>

NOTE 4 RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5 ON-BEHALF PAYMENTS

TPAF Social Security Contributions represents reimbursements in the amount of \$213,136 by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024. The State had also made on-behalf TPAF payments for post-retirement medical benefits in the amount of \$1,359,406.

NOTE 6 ON BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF pension, post-retirement medical benefits and long-term disability insurance contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST

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

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☒ Yes ☐ None reported

Significant deficiency(ies) identified not considered
to be material weaknesses?

☐ Yes ☒ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards (NOT APPLICABLE)

Dollar threshold used to determine Type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☐ No

Type of auditor's report on compliance for major programs:

Unmodified

Internal control over compliance:

Material weakness(es) identified?

☐ Yes ☐ No

Significant deficiency(ies) identified not considered
to be material weakness(es)?

☐ Yes ☐ No

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

☐ Yes ☐ No

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION I – SUMMARY OF AUDITOR’S RESULTS - CONTINUED

Federal Awards - continued

Identification of Major Programs:

Not Applicable

State Financial Assistance

Dollar threshold used to determine Type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Type of auditor’s report on compliance for major programs:

Unmodified

Internal control over compliance:

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiency(ies) identified not considered
to be material weakness(es)?

☐ Yes ☒ No

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

☐ Yes ☒ No

Identification of Major Programs:

State or Project No.

Name of State Program

State Aid Public Cluster:

24-495-034-5120-078
24-495-034-5120-084
24-495-034-5120-089
24-495-034-5120-085

Equalization Aid
Categorical Security Aid
Special Education Categorical Aid
Adjustment Aid

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001 Timely and Accurate Financial Information

Criteria

All financial transactions should be entered accurately and promptly into the district's finance software. Bank reconciliations must be performed monthly and in a timely manner, with reconciled balances matching the district's financial records.

Condition

The financial records were not readily available during the audit. Numerous journal entries and revisions to the initial trial balances were required to reflect accurate balances as of June 30, 2024. We noted the following issues:

- a. Delayed Bank Reconciliations – Monthly bank reconciliations were not performed timely, leading to significant year-end reconciling items, including issues related to missing or inaccurate receipts.
- b. Inaccurate Non-Cash Journal Entries – Several non-cash entries were either missing or incorrect, resulting in misstatements in receivables, liabilities, and fund balances.
- c. Lack of Timely Purchase Order Analysis – There was no timely review of outstanding purchase orders as of June 30, 2024. The required listings supporting accounts payable and reserve for encumbrances were not prepared. Numerous audit adjustments and revisions were necessary to correct the balances based on the status of purchase orders at year-end and their subsequent liquidation.
- d. Over-Expended Budget Line Items – Several budgetary line accounts were over-expended during the year and as of June 30, despite the Board Secretary's monthly certifications stating otherwise (per N.J.A.C. 6A:23A-16.10). This resulted in further journal entries and trial balance revisions.
- e. Delayed Reconciliation of Special Revenue Fund – Revenue, expenses, and receivables related to the Special Revenue Fund were not timely reconciled with reimbursements.

Cause

These issues stemmed from turnover in the School Business Administrator position and recurring problems with the district's accounting software.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS - CONTINUED

Finding 2024-001 Timely and Accurate Financial Information - continued

Effect or Potential Effect

Delays in recording transactions and performing reconciliations diminished the effectiveness of internal controls and the reliability of financial reporting.

Recommendation

The School District should take immediate steps to ensure accurate and timely recording and reconciliation of all financial transactions. Specifically:

- a. Purchase Order Review – Review all purchase orders at year-end to classify them appropriately as either accounts payable or reserve for encumbrances, based on goods received or services rendered. Cancel outstanding orders that will not be liquidated within 60–90 days of year-end. Reconcile adjusted balances and prepare required schedules for audit support.
- b. Timely Transaction Entry and Reconciliation – Ensure that all receipts and disbursements are entered accurately and timely into the finance system. Monthly closings and bank reconciliations must be enforced consistently throughout the year.
- c. Budgetary Control – Prevent over-expenditures by requiring prior approval and board-authorized budget transfers before issuing purchase orders. Monthly budget status certifications should reflect actual records and align with available appropriations.

Views of Responsible Official and Planned Corrective Actions

The School Business Administrator will ensure that all transactions are completely and accurately captured in the School District's accounting system. Complete cash information will be sent to the Treasurer for the preparation of the Treasurer's report. The Treasurer will compare reconciled cash balances against the Board Secretary's report and the related bank statements.

SECTION III - FEDERAL AWARDS

None.

SECTION IV - STATE AWARDS

None.

**GARWOOD PUBLIC SCHOOL DISTRICT
(COUNTY OF UNION, NEW JERSEY)**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED JUNE 30, 2024

Finding 2023-001

Condition

Missing or inaccurate receipts and disbursement entries leading to the cash balances per the district's finance software not matching to the treasurer's reconciliation.

Status

Similar condition still exist. Refer to Finding 2024-001.